FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-95-188
Thursday
28 September 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-95-188 *28 September 1995*

CONTENTS

NOTICE: An * indicates material not previously disseminated in electronic form.

DUMA ELECTION ISSUES

Key Developments

'Women of Russia' Seeks Control Over Power Ministers *[ITAR-TASS]* 1
Defense Ministry Nominates Military Candidates *[MOSKOVSKIY KOMSOMOLETS 20 Sep]* . 1
Rybkin Bloc Deregistered After 'Fatherland' Pulls Out *[ROSSIYSKAYA GAZETA 27 Sep]* 1
TRUD Interviews AKKOR Head on Election Plans *[26 Sep]* 2
Miners' Movement Entering Elections Independently *[SEGODNYA 20 Sep]* 3
Pamfilova Calls For Limits on Parliamentary Immunity *[SEGODNYA 21 Sep]* 4
Electoral Commission Registers More Parties *[INTERFAX]* 5
IZVESTIYA Accuses Candidate of Political 'Scam' *[26 Sep]* 5
ORT Head on 'Backstage Attempts' To Buy Election Air Time *[ITAR-TASS]* 5

Regional Activities

Council Chairman Shumeyko Backs Regional Grouping *[ROSSIYSKAYA GAZETA 27 Sep]* 6
Liberal Democratic Group Formed in Kabardino-Balkaria *[GAZETA YUGA 15 Sep]* 7
KBR President To Support NDR Candidate *[GAZETA YUGA 22 Sep]* 7
KBR Candidates Make Electoral Lists *[GAZETA YUGA 22 Sep]* 8

Election Guidelines

Electoral Commission Head on Legislation *[SOVETSKAYA SIBIR 20 Sep]* 9
Social Accord Treaty Body To Maintain Ethics *[ROSSIYSKAYA GAZETA 21 Sep]* 10

Forecasts & Commentary

Poll Shows NDR, KRO Leading Election Blocs *[INTERFAX]* 12
Zaveryukha Predicts 15-20% Vote for Agrarian Party *[INTERFAX]* 12
Yushenkov: 'Incompetent' Grachev Should 'Keep Quiet' *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 12
IZVESTIYA Views Congress of Russian Communities *[16 Sep]* 13
PRAVDA Urges Vote for Single Leftist Bloc *[20 Sep]* 16

INTERREGIONAL AFFAIRS

Strategic Policy Toward CIS Published *[ROSSIYSKAYA GAZETA 23 Sep]* 19
ITAR-TASS Carries Press Review for 28 Sep 22

RUSSIA INTERNATIONAL AFFAIRS

Kozyrev Addresses UNGA; Urges Improved 'Mechanisms' *[IZVESTIYA 28 Sep]* 24
Calls For Nuclear Test Ban *[KRASNAYA ZVEZDA 28 Sep]* 25
Holds Talks With French Counterpart *[ITAR-TASS]* 25
Yeltsin, Clinton Discuss Bosnia, Upcoming Summit *[ITAR-TASS]* 25
Official on 'Tense' NATO Relations, Enlargement Issue *[INTERFAX]* 26
Military Not Satisfied With NATO Proposals on CFE *[INTERFAX]* 26
Official on NATO's 'Positive Step' in CFE Initiative *[INTERFAX]* 26

Duma Delegation Concludes Visit to Yugoslavia 27
Rybkin Interviewed on Return *[Moscow ORT]* 27
Opposes Unilateral Lifting of Sanctions *[Moscow NTV]* 27
Delegation Denounces NATO 'Interference' *[INTERFAX]* 28
Team Demands End to Yugoslavia Sanctions *[ROSSIYSKAYA GAZETA 28 Sep]* 28
Daily: Bosnia Agreement 'By No Means' Breakthrough *[SOVETSKAYA ROSSIYA 28 Sep]* 28
Chernomyrdin Pays Official Visit to South Korea 29
Meets ROK President, Prime Minister *[ITAR-TASS]* 29
Says DPRK Treaty Will Not Be Extended *[ITAR-TASS]* 30
Addresses ROK Businessmen *[ITAR-TASS]* 30
Proposes Tripartite Ties With Koreas *[INTERFAX]* 31
Official Describes Expanded ROK Military Cooperation *[ITAR-TASS]* 31

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Assistant Accuses Duma of 'Unprofessionalism' *[KOMMERSANT-DAILY 26 Sep]* 33
Yeltsin Said To Offer Rybkin Ministerial Post *[INTERFAX]* 33
Yeltsin Edict Allows More Investment Resources *[KOMMERSANT-DAILY 26 Sep]* 33
Chernomyrdin Accused of Political Corruption *[PRAVDA-5 22-29 Sep]* 33
Chernomyrdin Vows No Inflation Upsurge This Fall *[ITAR-TASS]* 36
Skokov Denies 'Rumors' on Replacing Chernomyrdin *[ITAR-TASS]* 36
Former Premier Ryzhkov Returns From Trip to China *[Moscow International]* 36
Soskovets Signs Two Social Security Directives *[INTERFAX]* 36
Daily Views FSB Chief's Anticorruption Drive *[KOMSOMOLSKAYA PRAVDA 28 Sep]* 37
Constitutional Court To Receive More Funds in 1996 *[SEGODNYA 20 Sep]* 37
Government Said To Fail on Rural Social Development *[ROSSIYSKIYE VESTI 27 Sep]* 38
Conference Reports Progress of Legal Reform Moves *[ROSSIYSKIYE VESTI 26 Sep]* 38
Postponement of Regional Elections Questioned *[PRAVDA 23 Sep]* 39

Media Issues

ROSSIYSKAYA FEDERATSIYA Becomes Government Organ *[MOSKOVSKIY KOMSOMOLETS 27 Sep]* 40

Military & Nuclear Issues

Yeltsin Reportedly Takes Part in Border Exercises *[ROSSIYSKIYE VESTI 27 Sep]* 40
Grachev Fails To Appear in Court Again *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 40
Grachev Visits Garrisons in Moscow Military District *[INTERFAX]* 41
Government To Consider Defense Ministry's Energy Debt *[INTERFAX]* 41
Public Movement for Military Reform Established *[MOSKOVSKAYA PRAVDA 27 Sep]* 41
Physical Dangers Seen in Cutting Army Power *[ROSSIYSKAYA GAZETA 26 Sep]* 42
Funds Not Available To Pay Army Personnel *[ITAR-TASS]* 43
Space Force Withdraws Armed Guards From Substations *[INTERFAX]* 43
Academician: Russian Nuclear Arms Safely Stored *[ITAR-TASS]* 43

Federal Assembly

Duma's Seleznev Claims Privatization Plan Unlawful *[SEGODNYA 27 Sep]* 44
Moscow Said To Be Overrepresented in Duma *[PRAVDA 23 Sep]* 44

Regional Affairs

Chechnya Reportage: Military, Economic, Political 44

Self-Defense Groups a 'Serious' Problem *[KRASNAYA ZVEZDA 27 Sep]* 44
Livshits on Chechnya Financial Aid *[Moscow NTV]* 45
Banks Fail To Credit Economy *[SEGODNYA 27 Sep]* 45
Politician on Khasbulatov, Peace Process *[INTERFAX]* 46
Polevanov Urges 'Complete' Disarmament *[PRAVDA-5 22-29 Sep]* 46
'Further Attempts' Made To Expel Russia From Crimea *[INTERFAX]* 47
Cossacks Union Forming 29 Border Guard Units *[INTERFAX]* 48
Sverdlovsk's Rossel Facing More Political Clashes *[KOMMERSANT-DAILY 20 Sep]* 48
ROK Planning To Invest in Nakhodka Economic Zone *[ITAR-TASS]* 49
Irkutsk Conference on Power Engineering Reviewed *[VOSTOCHNO-SIBIRSKAYA PRAVDA 21 Sep]* 49
Novosibirsk Gasoline Shortage Assessed as Critical *[SOVETSKAYA SIBIR 19 Sep]* 50
Novosibirsk Meeting on Regional Elections Reviewed *[VECHERNIY NOVOSIBIRSK 20 Sep]* 51

Economic Issues

TRUD Interviews Grachev on Monetary, Economic Issues *[28 Sep]* 52
Panskov Suggests Commercial Bank Loans to CIS *[KOMMERSANT-DAILY 26 Sep]* 53
Livshits: 'Antimarket Forces' May Slow Down Reforms *[IZVESTIYA 28 Sep]* 53
Livshits Continues 'Voicing His Ideas' *[TRUD 28 Sep]* 54
Economic Security Panel Criticizes Draft Program *[ROSSIYSKIYE VESTI 27 Sep]* 54
Finance Ministry 1996 Tax Proposals 'Not Far-Reaching' *[KOMMERSANT-DAILY 27 Sep]* .. 54
Decline in GDP Smaller Than Originally Thought *[IZVESTIYA 28 Sep]* 55
Chubays Seen Playing 'Into Hands of National Communists' *[KOMSOMOLSKAYA PRAVDA 27 Sep]* 55
Glazyev Urges Government To Sell Shareholdings *[ROSSIYSKAYA GAZETA 27 Sep]* 56
KOMMERSANT Discusses Sale of State-Owned Shares *[12 Sep]* 57
Railroads To Sell Shares, Have Debts Offset *[ROSSIYSKIYE VESTI 28 Sep]* 58
Tight Finance Policy Blamed for August Bank Crisis *[ROSSIYSKAYA GAZETA 27 Sep]* 58
Menatep Head on Banking, Monetary Concerns *[INTERFAX-AIF 18 Sep]* 59
Power Official Explains Problems at 'YeES Rossii' *[ROSSIYSKAYA GAZETA 27 Sep]* 62
KOMMERSANT Reports on Export-Boosting Edict *[12 Sep]* 63
50 Million Tonnes of Oil Exported in Past 8 Months *[SEGODNYA 27 Sep]* 64
Agriculture Minister Nazarchuk on Land Transactions *[INTERFAX-AIF 11 Sep]* 64

UKRAINE

International Affairs

Article Assesses Ties With NATO *[VSEUKRAINSKIYE VEDOMOSTI 22 Sep]* 67
Marchuk, IMF To Discuss Aid for Economic Reforms *[INTERFAX]* 68
Prime Minister Meets U.S. Senate Leaders *[ITAR-TASS]* 69
Marchuk Praises U.S. Military Cooperation *[UNIAN]* 69
Norwegian Officials End Three-Day Visit *[INTELNEWS]* 69
Official on Need For Nordic Council Ties *[INTERFAX]* 70
Presidential Aide Holds Talks With UK Officials *[INTELNEWS]* 70
Supreme Council Debates Draft Statement on Yugoslavia *[HOLOS UKRAYINY 21 Sep]* 71

National Affairs

Kuchma Establishes Culture, Arts Ministry *[UNIAN]* 72
Defense Minister Visits Khmelnytskyy Oblast *[UKRINFORM]* 72
G-7 Experts Refuse To Finance Chernobyl Replacement *[INTELNEWS]* 72
Government Appeals for Aid in Creating Chernobyl Center *[URYADOVYY KURYER 26 Sep]* 73
Non-Payment of Electric Bills Portend 'Cold Winter' *[INTELNEWS]* 73

Border Guards Seize Ammunition Bound for Lebanon *[DEMOKRATYCHNA UKRAYINA 26 Sep]* 74

Economic Issues

Trade Union Leader Views New Government *[DEMOKRATYCHNA UKRAYINA 14 Sep]* 74
Lugansk Article Assesses Privatization *[LUGANSKAYA PRAVDA 14 Sep]* 75

WESTERN REGION

Belarus

Lukashenka Says Russia's Soskovets May Be Envoy *[INTERFAX]* 77
Security Council Investigates Weapons Shipments to FRY *[MMC]* 77
President Rejects Law by 'Illegitimate' Parliament *[Minsk Radio]* 77
Four Parties Form 'Civic Action' Political Union *[BELAPAN]* 77
Interior Ministry on Growing Crime, Migrants *[NARODNAYA GAZETA 22 Sep]* 78
Cabinet Discusses Economic Program Until Year 2000 *[Minsk Radio]* 78

Moldova

Snegur Views Developments Since Independence *[INTERFAX]* 78
Snegur on Russian Commander, Weapons in Dniester *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 79
Russian Security Officers Investigate Police Case *[BASAPRESS]* 79
Yevnevich Blamed For Stance on Arrest *[BASAPRESS]* 79
Tighina Police Protest 'Destabilizing Provocations' *[BASAPRESS]* 80
World Bank Official Denies Loan Cancellation Rumors *[BASAPRESS]* 80
Trade Unions Demand Payment of Overdue Pensions *[BASAPRESS]* 81

CENTRAL ASIA

Kazakhstan

Draft on Legal Status of Caspian Sea Discussed *[Almaty Radio]* 82
Agricultural Cooperation Memo Signed With Iran *[KAZAKHSTANSKAYA PRAVDA 23 Sep]* . 82

Tajikistan

Situation in Kurgan-Tyube 'Normalized' *[KHOVAR]* 82
Reports of Continuing Clashes *[Voice of Free Tajikistan]* 82
Opposition Radio Report on Arms Surrender *[Voice of Free Tajikistan]* 83
Rebel Radio Reports 'Surveillance' of Press *[Voice of Free Tajikistan]* 83

CAUCASUS

Armenia

Deputy Foreign Minister, DPRK Counterpart Sign Protocol *[Yerevan Radio]* 84
Parliament Ratifies MFN, 12 Other Agreements *[SNARK]* 84
Agreements Ratified by Parliament Listed *[NOYAN TAPAN]* 84
National Assembly Declares Amnesty 26 Sep *[INTERFAX]* 84

Azerbaijan

U.S. Ambassador's News Conference Detailed *[Baku TV]* 85
Defense Minister Discusses Issues With Minsk Group *[TURAN]* 85
Aliyev Sees Armenian 'Autonomy' as Key Issue *[TURAN]* 85

Aliyev: 'Main Problem' To Stop Armenian Aggression *[INTERFAX]* 86
General Novruzov Discusses Border Troops *[TURAN]* 86
PFA, Vahdat Agree To Cooperate in Election Campaign *[TURAN]* 86

Georgia

UN Opposes Withdrawal of Peacekeepers From Abkhazia *[Sukhumi Radio]* 86
Abkhaz Forces Strengthened in Some Districts *[ITAR-TASS]* 87
Abkhazian Official Says Media Exacerbates Situation *[ITAR-TASS]* 87
Shevardnadze Greets Visiting Iranian Delegation *[IPRINDA]* 87
Shevardnadze, Iranian Finance Minister Talk *[Tehran IRNA]* 87
Economic Cooperation Memorandum Signed *[IPRINDA]* 88

BALTIC STATES

Estonia

Foreign Ministry Official on Border Talks Delay *[Tallinn Radio]* 89
Business Leaders Denounce Russia's Import Tariffs *[BNS]* 89

Lithuania

Foreign Minister Voices Support for UNSC Expansion at UN *[Vilnius Radio]* 89
Official Discusses NATO, Defense Issues *[BNS]* 90
Russian Resistance to NATO Seen as 'Political Smoke-Screen' *[BNS]* 90
Ministry Estimates Environmental Damages From Soviet Troops *[INTERFAX]* 90

Key Developments

'Women of Russia' Seeks Control Over Power Ministers

LD2709091595 Moscow ITAR-TASS World Service in Russian 0244 GMT 27 Sep 95

[By ITAR-TASS correspondent Eduard Popov]

[FBIS Translated Text] Vladivostok, 27 Sep (ITAR-TASS) — The "Women of Russia" faction sees its main legislative task in 1996 as introducing amendments to the Russian Constitution which would give the State Duma the right to appoint and dismiss power ministers, Yekaterina Lakhova, leader of the faction and the electoral association of the same name, told a news conference in Vladivostok today. She is touring the Far East as part of the election campaign. The "Women of Russia" explain their striving to take control of the generals by a desire "to protect Russia from ministers like Pavel Grachev." They see him as one of the main people to blame for the failure of the Chechen war.

Lakhova expressed the confidence that her colleagues in the movement would take a considerable proportion of the Duma seats. The "Women of Russia" have nominated about 100 people on the federal list and in single-mandate constituency in the country's 50 regions.

The social sphere, the rights of women and children, education and demographic policy remain among our priorities, the leader of the women's faction stressed.

Lakhova said that none of the current leaders of political groups — neither [Aleksandr] Yakovlev, [Gennadiy] Zyuganov, [Vladimir] Zhirinovskiy nor anybody else — is worthy of becoming the Russian president. She dodged a question from ITAR-TASS, however, about who the "Women of Russia" could recommend to this post from their faction.

Defense Ministry Nominates Military Candidates

MK2609071095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 20 Sep 95 p 1

[Report by Aleksey Overchuk: "Grachev Prepares an Operation Code-Named 'Elections.' List of Military Candidates Approved"]

[FBIS Translated Text] A conference designed to carry out a military electoral maneuver was recently held at the Defense Ministry. Sergey Zdorikov, chief of the Defense Ministry's Educational Work Administration, who is responsible for "Grachev's party," opened the meeting with a phenomenal phrase: "It is necessary to establish links with persons of authority in regions and oblasts and make sure that our candidates are elected to the Duma." Which people of authority should be befriended Zdorikov did not specify. Instead, he outlined the axes along which one should fight one's way into the Duma: "What is necessary is to establish personal contacts between the command and administration heads, to put our men on all electoral commissions, to explain to servicemen and the population that the military is not "hawks" or "the party of war," to supervise and strictly adhere to the dates of election campaigning, and also concerted and coordinated actions by working groups in charge of elections in order to support our candidates."

As of today Zdorikov completed a list of officers belonging to Grachev's party. Only those personally loyal to him and the minister were chosen. It turned out that such servicemen number in all about 100 people. They include such universally well-known personalities as Yevgeniy Podkolzin, commander of the Airborne Troops; Polyakov, former commander of the Tamanskaya Division, who resigned after the scandal over the recruitment of his subordinates into the tank columns of the anti-Dudayev opposition; and Lev Rokhlin, a hero of the subjugation of mountain peoples. The other candidates are little known because they serve in remote districts. Moreover, Zdorikov even displayed a map of Russia painted in colors reflecting Russians' political sentiments.

Rybkin Bloc Deregistered After 'Fatherland' Pulls Out

MM2709104295 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 4

[Unattributed report: "At the Central Electoral Commission"]

[FBIS Translated Text] The Russian Federation Central Electoral Commission [CEC] has examined a 12 September 1995 resolution from the Coordinating Council of the "My Fatherland" sociopolitical association on its withdrawal from the "Ivan Rybkin Bloc" electoral bloc and an extract from the protocol of the Third Conference of the "My Fatherland" sociopolitical association delegating powers to the "My Fatherland" association's Coordinating Council. The CEC has rescinded through its Decree No. 16/145-P of 15 September 1995 the earlier Decree No. 10/68-P "On the Registration of the 'Ivan Rybkin Bloc' as an Electoral Bloc for the Election of Deputies to the Russian Federation Federal Assembly State Duma, Second Convocation" of 24 August 1995, under which the "Ivan Rybkin Bloc" was registered as comprising the "'People's Movement-Russia (Union)' Sociopolitical Association," the "'Russia's Regions' Public Association," the "Russian Youth Union," the "'Consensus' Sociopolitical Movement," the 'My Fatherland' Sociopolitical Association," and the "'Union of Realists' Sociopolitical Movement."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

TRUD Interviews AKKOR Head on Election Plans

MM2709085195 Moscow TRUD in Russian 26 Sep 95 p 2

[Interview with Vladimir Bashmachnikov, head of the Association of Russian Peasant (Private) Farms and Agricultural Cooperatives, by Yelena Tokareva; place and date not given: "Peasant Has Registered in 'Our Home'" — first three paragraphs are TRUD introduction]

[FBIS Translated Text] With the sorrow appropriate to the situation we must remind citizens that in 1993 "Russia's Choice" failed to find a single ... in its federal list for the AKKOR [Association of Russian Peasant (Private) Farms and Agricultural Cooperatives] farmers' union. Gaydar managed without representatives of the peasantry, even the new democratized peasantry which solidly advocates private ownership of the land. AKKOR Head Vladimir Bashmachnikov was flabbergasted by the fact at the time but did not let it show.

At the private farmers' congresses held over the two years since the elections there have been serious proposals to join with Lapshin's Agrarian Party to obtain at least a few seats in parliament. In response Bashmachnikov has stated that the private farmers would not associate themselves with anyone and swiftly began to register the "Landowners' Union" sociopolitical movement. There were six months left to the elections to the new State Duma....

But here is a recent piece of news: Chernomyrdin has put Bashmachnikov on the federal list of the "Russia Is Our Home" [NDR] movement. The present premier, as head of the electoral bloc, has proved more flexible than Gaydar and has prevented AKKOR's symbiosis with the "Agrarian Union" and the related party.

[Tokareva] Vladimir Fedorovich, how has it come about that to put it crudely you have found yourself on someone else's list before the elections and have abandoned our intention to go to the elections independently as a representative of AKKOR or the recently organized "Landowners' Union?"

[Bashmachnikov] The "Landowners' Union" can be viewed from strategic positions. It is necessary for the formation of a middle class of landowners. As for AKKOR, it was not registered as a sociopolitical organization, it is an economic organization and cannot take part in the elections. The search began to decide with whom to cooperate. It was decided at once that we would not travel with the Communists, Zhirinovskiy's party, or the Agrarian Party.

[Tokareva] Does it not seem strange to you that the two agrarian movements have differed so strongly?

[Bashmachnikov] The "Agrarian Union" of Mikhail Lapshin and Vasiliy Starodubtsev put us off with their draft land code which the State Duma has already rushed to adopt at the first reading and also by their law on cooperatives, of which Vershinin is the compiler. Our vision of agrarian policy radically differs from the positions of Lapshin and Vershinin, who created this law on cooperatives which allows the peasant to join a cooperative but does not allow him to leave it with a parcel of land. These two laws completely cancel out the possibility of the emergence of private ownership of the land in Russia.

If we are speaking of the communist wing of the Agrarian party — of Starodubtsev's wing — then in general he is against private ownership of the land, accepting only possession [vladeniye] and leasing. The main thing is that they reject the mortgaging of land and consequently totally deprive peasants of civilized ways of obtaining bank credit. The land, according to our opponents' way of thinking, will not be sold. So that the turnover in land as such is not envisaged. That is "the gospel according to Starodubtsev."

And Lapshin? He believes that the peasants could leave the collective farm only before it is reorganized into a cooperative or joint-stock company. If an owner has initially made the decision to join a collective he loses forever the right to dispose of his land plot. When he leaves a collective farm the peasant can claim only financial compensation at a standard price. That is all the freedom there is. Only the internal movement of land plots is allowed: from the person leaving the cooperative to the person who stays. Gradually, land barons are formed.

Exactly the same position was voiced by Vershinin in the law on cooperatives: Either you register with a cooperative and lose your personal plot or you leave the collective farm immediately to take up private farming even if you are not yet standing on your own feet. You cannot mature inside the cooperative. On two occasions Yeltsin has vetoed this law, but the deputies still overcame him under the influence of the agrarian lobby.

Both political leaders of the Agrarian Party are fighting for sophisticated technologies in agriculture which can be developed only on large expanses of land. They are fighting for a big planned private farmer for whom everything has been built at the treasury's expense. That is the path to monopolism. The world has already shown that big farmers can very well neighbor with small and middle farmers.

[Tokareva] Private farmers have a good understanding of the thrust of these differences?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Bashmachnikov] Some people understand and some are already joining the Agrarian Party platform. For instance, the private farmers' association of Altay Kray and of Kemerovo, Smolensk, and Novosibirsk Oblast. We have no tough party discipline and so we shall not set conditions for private farmers. As a rule the head of an association which supports the Agrarian Party does not work in state service. But there is another opposition — the Rostov association has no desire at all to deal with NDR and the Rostov people have gone to Svyatoslav Fedorov. Our platform has 45 of the 80 associations united in AKKOR.

[Tokareva] And Zaveryukha? What position does he take?

[Bashmachnikov] Zaveryukha promises to support private ownership of the land but something is preventing him from fighting ardently for this institution.

[Tokareva] Vladimir Fedorovich! Is the dispute over private ownership of the land not of a purely theoretical nature, has it not become academic?

[Bashmachnikov] Only in part. It contains a very important rational kernel: Private ownership of the land gives farmers a unique opportunity to receive credits not from an official but from the bank and to be answerable for their rational use. Credit now comes from above and is distributed by officials and the farmer as a rule gets nothing. The farmer is last in line for official credits — the lion's share is snatched by collective farms.

As you can see the countryside was not homogeneous under Lenin and it is not homogenous now and has varying interests. So Zaveryukha's election slogan "Peasants, unite!" should be removed from the agenda. Let them unite after the elections, in the State Duma, when they will decide questions of importance to the countryside. In the countryside there is a good stratum of land barons and capitalist entrepreneurs represented by Lapshin. Farm laborers are already appearing. But we represent the interests of the middle private farmers, of people who live in the market by their intelligence and enterprise and not by "extorted" materials and financial assets. They are straining to sell output, to pay their expensive credits, and to prepare for the new season. The state must give them more help — that is in its own interests. For instance, it should guarantee them against collapse if a bank credit is not returned on time.

[Tokareva] Incidentally, the state's step toward Russian producers of agricultural output — the increase in import duty on food. Do you assess it as useful?

[Bashmachnikov] Unequivocally. Our peasants also have the right to protection against the pushy Western and Chinese farmers. A policy is needed which even without direct investments in agriculture will help the peasant to find his feet. It is simple here: the fewer imports, the more of our own commodity there will be. And even if it is a little more expensive the profit will go into investments. That is the market mechanism for attracting capital into agriculture. Not as direct as the collection of funds through taxes. Unfortunately so far there are no statistics confirming the government's expectations which would prompt it to take this step. But it will be taken.

[Tokareva] But there are your farmers' markets. What has the recent one in St. Petersburg shown?

[Bashmachnikov] The fair showed that the first farmers of the "Silayev draft" who were given credits and other state aid have strengthened and are prospering. There are 1,030 of them. Cooperatives organized by these farmers for the processing of output, sausage shops, and cheese making facilities were on display at the fair. Sobchak gave the farmers subsidies for transporting their output and so prices at the fair were lower than city prices. The St. Petersburg inhabitants flocked to buy. It was a real holiday. Some 700,000 St. Petersburg inhabitants passed through our fair. Yet in Moscow we did not get assistance. So we relocated to St. Petersburg.

[Tokareva] What were the terms for your union with "NDR?"

[Bashmachnikov] The entire agrarian part of the bloc's program was written by us — AKKOR specialists. Incidentally, Gaydar took a lot from us but registered himself. But Chernomyrdin gave us the opportunity to retain our identity. We are the "Landowners' Union" within the "NDR" electoral bloc.

Miners' Movement Entering Elections Independently

MK2609071295 Moscow SEGODNYA in Russian 20 Sep 95 p 2

[Report by Viktor Khamrayev: "'Miners of Russia' Refused To Join Any Parties. The Movement Intends To Nominate Its Candidates in Single-Seat Constituencies"]

[FBIS Translated Text] The "Miners of Russia" movement intends to form a coal-mining lobby in the parliament, having nominated is own candidates for deputies' seats in single-mandate constituencies.

The deputy chairman of the movement, Anatoliy Kobyakov, claimed that the "Miners of Russia," founded by the Rosugleprof [Russian Coal Mining Trade Union], has attracted the attention of "virtually all parties and movements." The miners' movement, however, chose to preserve "political purity," first

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

because it would not like "to be misled in choosing partners," as Mr. Kobyakov told your SEGODNYA correspondent, and second, because it was not willing to put up with the role of advertising poster for some party. The miners did not join the Russian Federation of Independent Trade Unions electoral bloc (of which the Russian Coal Mining Trade Union is a member) as they want to have their own industry's mouthpieces represented in the legislative body.

Even if the group is not numerous, it will be able, in Mr. Kobyakov's view, to make up a "coal-mining lobby" to promote legislative acts in support of the sector, which, in Mr. Kobyakov's opinion, "is collapsing now." The leader of the miners' electoral bloc sees signs of collapse in reductions of federal investments in the sector, in the fact that "mines are being closed down, while no one cares about the employment of miners and residents of the miners' settlements," and in wages arrears. Thus, according to Mr. Kobyakov, the schedule for financing the sector in the second half of the year, approved by Deputy Premier Anatoliy Chubays, has already been broken: In August, Russian coal miners were underpaid 116 billion rubles from the budget.

The coal miners' association has refrained from running on the federal list probably because coal mines are located only in 27 constituencies. However, Mr. Kobyakov asserted to your SEGODNYA correspondent, the movement "can clear the 5 percent hurdle." The "Miners of Russia," said Anatoliy Kobyakov, are planning to coordinate their efforts in single-seat constituencies with "parties of democratic orientation." In the Kuzbass [Kuznetsk coal field], though, the miners count on the help of Aman Tuleyev (running on the slate of the Communist Party of the Russian Federation). Moreover, the miners do not rule out teaming up with the "Trade Unions and Industrialists of Russia — Union of Labor."

It needs to be added that the Russian Coal Mining Trade Union will face competition (possibly tough) from aspirants to deputies' seats from the Independent Trade Union of Miners, which is nominating its candidates in the Kuzbass in three majority constituencies on the "Ivan Rybkin Electoral Bloc" slate.

Pamfilova Calls For Limits on Parliamentary Immunity

MK2609071995 Moscow SEGODNYA in Russian 21 Sep 95 p 2

[Report by Irina Khristolyubova: "Ella Pamfilova: Decriminalization of Society Should Start From the Top. 'Pamfilova-Gurov-Lysenko' Proposes That Deputy Immunity Be Curtailed"]

[FBIS Translated Text] "We will not say whether we are better or worse than others — we exist, that's all," said Ella Pamfilova, leader of the "Pamfilova-Gurov-Lysenko" [PGL] electoral association, opening a press conference yesterday [20 September]. The bloc, registered by the Central Electoral Commission [CEC] on 12 September, includes the "Union of Young Republicans" and the Committee of Soldiers' Mothers of Russia.

According to Mrs. Pamfilova, the main principles the bloc adheres to are well-being, personal security, equality of all citizens before the law, and confidence in the future. In her words, the PGL program is built so as "to focus on people because all reforms should be conducted for them and not for securing the new apparatchiks' ruling position." The former social security minister believes that the main task for the near future is to curtail the sphere of activities covered by deputy immunity, which, in her opinion, "should concern only parliamentary activity of deputies," in order to prevent criminal elements from pentrating parliament. "If we wish to decriminalize our society, we must start from the top," Ella Pamfilova said.

According to Vladimir Lysenko, leader of the Republican Party of the Russian Federation, who also took part in the press conference, the PGL intends to cooperate in the election with a number of democratic associations and parties (he mentioned "Yabloko," Russia's Democratic Choice, and "Forward, Russia!"). The bloc regards the "Russia Is Our Home" electoral association — whose activity, in PGL's opinion, is directed primarily at "having power monopolized by state agencies" — as its main opponent. At the same time, Mr. Lysenko, like CEC Chairman Nikolay Ryabov, expressed his deep concern over the continued growth in the number of various parties. The Republican Party leader sees similarities in this trend with the 1917 events (the election to the Constituent Assembly), when it was difficult for voters to make the right choice because of an abundance of parties. True, Vladimir Lysenko also expressed his hope that the upcoming election will be a kind of "filter" to sort out the most "merited" ones.

Ella Pamfilova assured journalists that the PGL's electoral program is "the strongest and the most elaborated" of all. This notwithstanding, she expressed her satisfaction with the fact that some parties' platforms were underpinned by the same program guidelines as those used by the PGL. "This provides certain grounds for cooperation; so, let us build barricades no more," pleaded Mrs. Pamfilova concluding her speech. The bloc's fed-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

eral slate includes 183 candidates, and 83 candidates will run in single-seat constituencies. According to the PGL leaders, the association has set up about 70 regional branches.

Electoral Commission Registers More Parties

LD2209221495 Moscow INTERFAX in English 2151 GMT 22 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 22 (INTERFAX) — The Russian Central Election Commission today registered the Trade Unions and Industrialists of Russia — Labor Union electoral bloc and the Tikhonov-Tupolev-Tikhonov electoral bloc.

The Trade Unions and Industrialists of Russia — Labor Union bloc includes the Russian United Industrialist Party and the Trade Unions of Russia — for the Elections" bloc.

The Tikhonov-Tupolev-Tikhonov electoral bloc has been created by the Party of Consolidation and the League of Cooperators and Entrepreneurs.

The Central Election Commission confirmed copies of the federal list of candidates to the State Duma from the Trade Unions and Industrialists of Russia — Labor Union bloc (270 candidates) and the bloc's list of candidates to be fielded in single-mandate constituencies (113 people).

The bloc's federal list is topped by Russian United Industrialist Party Chairman Vladimir Shcherbakov, Federation of Russian Independent Trade Unions Chairman Mikhail Shmakov and President of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy.

The Central Election Commission also confirmed the federal list of candidates to the State Duma from the Social Democrats electoral bloc (264 candidates) and the bloc's list of candidates to run in single-mandate constituencies (83 candidates). President of the International University Gavriil Popov and State Duma deputies Vasily Lipitskiy and Oleg Bogomolov will lead the bloc's federal list.

The Central Election Commission also confirmed the federal list of candidates to the State Duma from the My Fatherland electoral bloc (81 people) and the list of candidates who the bloc will field in single-mandate constituencies (43 candidates). General Boris Gromov, scientist Stanislav Shatalin and singer Yiosif Kobzon will top the bloc's federal list.

IZVESTIYA Accuses Candidate of Political 'Scam'

MM2609142695 Moscow IZVESTIYA in Russian 26 Sep 95 p 2

[Own information report: "No Political Observer Called Yekhalov in IZVESTIYA"]

[FBIS Translated Text] The 20 September edition of ROSSIYSKAYA GAZETA published the list of State Duma candidate deputies nominated by the "Derzhava Social-Patriotic Movement" electoral association. The list states that running in Cherepovetskiy Single-Seat Electoral District No. 73 is "Anatoliy Konstantinovich Yekhalov, born 21 March 1951, IZVESTIYA Editorial Office, political observer, lives in Vologda."

We would like to inform the Central Electoral Commission that A.K. Yekhalov has never been an IZVESTIYA political observer and is not on the editorial staff at all. He has written for the newspaper, as have many other nonstaff writers. It is hard to believe that A. Yekhalov, who is no journalistic novice, does not grasp the difference between a staff position and a nonstaff position. In that event, his elevating of himself to the rank of IZVESTIYA political observer (a very prestigious job) is nothing more than a scam probably intended to enhance this "Derzhava" candidate's political clout.

ORT Head on 'Backstage Attempts' To Buy Election Air Time

LD2709191095 Moscow ITAR-TASS in English 1644 GMT 27 Sep 95

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, September 27 (ITAR-TASS) — Although an election race is only beginning in Russia, there have already been backstage attempts to buy air time on Channel 1, Sergey Blagovolin, General Director of Russian Public Television (ORT), said.

Speaking at a press conference in Moscow on Wednesday, Blagovolin pointed out that "the proposed amounts reach 200,000 U.S. dollars," adding that he will take "the toughest, draconian measures" to prevent latent political advertising.

He explained the closure of prominent writer and Nobel Prize winner Aleksandr Solzhenitsyn's talk show by the need "to streamline ORT's election programming" and avoid reproaches from some politicians who were displeased with the fact that, unlike them, Solzhenitsyn had a 15-minute weekly slot on television.

Blagovolin apologised to the writer for not consulting him "over this forced, but unavoidable" decision in advance.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Asked about the reasons for the closure of the programme Versii [Versions], Blagovolin said the ORT leadership was not happy about the programme's rating and costs which he put at about 400,000 U.S. dollars a month.

Speaking about hardline deputy Aleksandr Nevzorov's programme Dikoye Pole [Wild Field], Blagovolin noted that it has a higher rating and costs three times less than Versii.

He described it as a "vibrant" programme, admitting, however, that its political orientation "sometimes corresponds and sometimes does not correspond" to ORT's political line. The ORT leadership is now discussing new projects with Nevzorov, he added.

Regional Activities

Council Chairman Shumeyko Backs Regional Grouping

MM2709100995 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 2

[Report by Anna Kozyreva: "Urals Turnaround. New Electoral Bloc Emphasizing Regional Politicians Set Up in Yekaterinburg"]

[FBIS Translated Text] Yekaterinburg-Moscow — Yekaterinburg greeted us with November-style cold, wet weather. It was no warmer inside the homes and hotels. But all our new acquaintances were experiencing a sense of joyous excitement — Eduard Rossel, until recently a disgraced politician, had become governor. At the hour of his triumph, the congress of the movement which he created — "Transformation of the Fatherland" — was attended by Federation Council Chairman Vladimir Shumeyko.

The foundations of separatism do not exist in Russia because all of Russia is bound up with thousands of economic and cultural threads. "But once again, as in the past, there is somebody sitting beside the distributor in Moscow. And the entire policy boils down to issuing orders centrally, from the top down," the speaker [Shumeyko] said. But Moscow-style reform does not suit the regions. That is why he believes that "Transformation of the Fatherland" is on the right path — the movement plans to build its own policy from the bottom up; it is a broad, regional movement. And the future Duma, the Federation Council chairman believes, should be made up of people who have the confidence not of some party but of the people. But the current Federal Assembly — both houses — has to all intents and purposes shown an inability to resolve the questions of forming genuine federalism in the country and bring about local self-government.

Stressing the interests of the Russian provinces is a winning card. This is not the first year that the Land Movement, whose leaders have repeatedly stated that Russia should be revived through its provinces, have tried to play that card. Sergey Shakhray has also stressed the regions. But, hitherto, flirting with the regions has brought no particular success. Will Rossel be able to make a breakthrough in the situation in his own interests? Of course, the economic federalism proclaimed by the governor is a good thing, but only up to a certain point. That point comes when a region is no longer able to maintain major enterprises of Russia-wide importance.

Take, for instance. Yekaterinburg's Kalinin Defense Plant — one of Russia's biggest. The plant workers have created a reliable air-defense shield for the motherland. Initially they reequipped the Russian artillery with rifled barrels, then they planned and produced antitank guns, and finally they produced powerful air-defense weapons. The guns and air-defense weapons produced at the plant were supplied to the Warsaw Pact armies.

The Kalinin Plant's air-defense systems are still the best in the world. There are no counterparts anywhere in the world to the equipment produced here.

Four air-defense systems were recently bought by the United States. The money earned was enough to pay the workers their wages.

"Have we really undergone conversion," Vladimir Kazimirskiy, the plant general director, complained, "when just 3 percent of our production is left? We ought to say instead that the plant is being destroyed."

I naturally asked the director: "You have sold systems to the Americans; they will strip them down, organize their own production, and sell them themselves. And you won't get any more money for your systems. Aren't you worried about that?"

"Let them strip them down — by the time they've figured out what is going on, we will have a new system in series production! The Americans will not catch us up. We just need to get hold of some money...."

But how can this be done? There was no answer. One hope lies with regional economic federalism, but the main hope lies with state aid.

The picture is similar at the Urals Heavy Machine Building Plant. The plant once supplied its products to all the Soviet republics and to enterprises in East Europe, India, China, Korea, Vietnam....

All oil and gas wells deeper than 2,500 meters were drilled using "Uralmash" equipment. All aviation and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

missile industry plants were equipped with its presses. The firm is the world's largest producer of walking excavators.

Throughout the years of its existence, "Uralmash" has been a profitable enterprise. But the economic crisis has affected it too. Production volumes have fallen by two-thirds and the headcount has halved. And its problems are shared by many enterprises. For instance, according to the plant specialists, expenditure on energy supplies in December will account for 69 percent of earnings.

The defaulting crisis has also hit the plant hard. Since it is closely bound up with many other Russian enterprises, steel plants, and ore combines, there are sometimes up to 12 participants in the technological cycle. If one member defaults, production at all the others grinds to a halt.

"There is no investment. There are no soft loans. Yet we can produce output that is better and cheaper than anything else the world has to offer," technical director Boris Krasilov noted.

Indeed, in the shops, for instance, we saw some fine modern forklifts. But for some reason it is not they but foreign models that are being used at our warehouses and airports. Is it really more beneficial to buy imports and wind down our own production? Once again, the answer given to those present by the Federation Council chairman regarding how to go on living and working was — "elect deputies to the Duma capable of defending your regional interests. And the situation will change."

Liberal Democratic Group Formed in Kabardino-Balkaria

954F3495C Nalchik GAZETA YUGA in Russian 15 Sep 95 p 1

[Article by Zarema Khadartseva: "Zhirinovskiy Is Going to Nalchik: An LDPR Organization Is Established in Kabardino-Balkaria"]

[FBIS Translated Text] Registration of the Liberal Democratic Party of Kabardino-Balkaria is expected any day now at the Ministry of Justice of the KBR [Kabardino-Balkar Republic].

The founders of the local organization of liberal democrats—the clairvoyant Avetik Avetsyan (photo to the right) and Yuriy Korkh (to the left)—are practicing in the Hotel Rossiya: removing magic spells, handing out good luck charms, and protecting against the evil eye. The office of the party is also situated there.

Aleksey Sovetkin, a guard in the cashier's office of the Main Post Office, has a direct connection to the birth of the local LDPR [Liberal Democratic Party of Russia]. Holding more than one office, he is an assistant to one of the deputies of the State Duma of the Russian Federation who is in the Zhirinovskiy faction.

Justifying his decision to join the LDPR, Yuriy Korkh declared: "The LDPR is actually the ruling party. And Zhirinovskiy's program is generally correct—three of its fundamental principles are legality, a multiparty system, and the presence of a president in the country. As for his individual pranks, these are the usual tricks that politicians of the whole world resort to in order to attract the attention of a bored press."

Regarding the recent scandal in the State Duma, Yuriy Korkh declared that he does not answer for Zhirinovskiy's actions. In the opinion of Avetik Avetisyan, Deputy Tishkovskaya herself provoked the incident: "On the one hand, it is unpleasant for me that Zhirinovskiy struck a woman. But on the other hand, she clearly understood the consequences of getting into a male fight. It was necessary for her to earn some political and financial capital. Well, Zhirinovskiy will pay her 50 million rubles, the LDPR has a lot of money...."

In the opinion of Korkh and Avetisyan, this incident will have no effect on the ratings of candidates for deputy who intend to run for the Duma from the LDPR.

In the one-seat electoral district No. 13, Valentina Dragunova, manager of the Maiskiy emergency first aid section, was confirmed as a candidate for deputy. Aleksandr Bodrov, investigator for especially important matters of the KBR Procuracy, was included on the federal list. Valentina Dragunova—a member of the LDPR, is known for the fact that during the first elections to the State Duma, she collected a substantial number of signatures for Zhirinovskiy. Aleksandr Bodrov is not a member of the LDPR, but shares its program.

At this moment the local party has five branches—in Nalchik, Baksan, Prokhladnyy, Maiskiy, and Nartkala, uniting 50 persons. According to the forecasts of the clairvoyants, in a half year its numerical strength should grow to 5,000-10,000.

Zhirinovskiy promised to come to the presentation of the Kabardino-Balkar LDPR planned for October.

KBR President To Support NDR Candidate

954F3528A Nalchik GAZETA YUGA in Russian 22 Sep 95 p 1

[Report by Zarema Khadartseva: "Valeriy Kokov: We Will Support Vladimir Sokhov"]

[FBIS Translated Text] At the traditional press conference on 16 September, KBR [Kabardino-Balkar Republic] President Valeriy Kokov said that in the elections to the State Duma, the republic's main political forces will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

support KBR Deputy Prime Minister Vladimir Sokhov, running from the Russia Is Our Home [NDR] bloc in single-seat electoral district No. 13.

Vladimir Sokhov, said the president, "enjoys a good deal of respect in the KBR, has solid relations with federal bodies, and expresses a willingness to sincerely work in the State Duma for the benefit of the republic and the Fatherland."

In Valeriy Kokov's opinion, among the political forces in Kabardino-Balkaria that can seriously affect the election results are the communists, trade unions, agrarians, and the Union of Industrialists and Entrepreneurs. "I talked to the heads of these movements. We intend to sign a joint statement in which we will urge the people to support a single candidate," the president said.

To a GAZETA YUGA question as to how we should interpret public statements by Communist and Agrarian Party representatives that they will not collaborate with NDR, Valeriy Kokov replied: "If some representatives of these movements independently present their own opinion to a newspaper and then say that this is on behalf of the entire party, on their conscience be it."

Valeriy Kokov also said that the KBR plans to combine elections to the RF State Duma with elections to bodies of local self-government, and expressed the hope that parliament deputies will adopt the law on local self-government in time. At the same time, he emphasized: "We cannot replicate verbatim the RF Constitution on elections to local bodies of self-government regarding the complete separation of local self-government from the state. We intend to select the most worthy, the best people in the villages, townships, and rayons, and from the selected deputies appoint heads of administration and heads of executive authority at the level of the villages, cities, and rayons."

Characterizing the situation in the economy, the president said that the pace of the industrial production recovery that started at the beginning of the year remains steady. More new jobs are envisioned, in particular, at the manufacturing facilities of GAZ buses and Gazel cars in Prokhladnyy and Nalchik.

Kabardino-Balkaria will have the highest gross grain harvest of the past five or six years—more than 550,000 tonnes. The republic has a wheat harvest that is the best in Russia—34 quintals per hectare. "The question of bread in our republic has been resolved," said Valeriy Kokov.

Among the good news heard at the press conference were the announcements that beginning 1 November state employees' salaries will increase 1.5-fold (for teachers it has been increased 1.54-fold beginning 1 September), and that all preschool facilities will be transferred to budget financing. The KBR Government guarantees that beginning 1 September the cost of sending a child there will be no more than 25,000-27,000 rubles a month.

KBR Candidates Make Electoral Lists

954F3528C Nalchik GAZETA YUGA in Russian 22 Sep 95 p 1

[Report by Zarema Khadartseva and Sergey Pavlov under the "Towards the Elections" rubric: "Candidates"]

[FBIS Translated Text]

Yuriy Bednev, Boris Tlyanchev, and Anuar Gudanayev—on Yabloko Lists

The congress of Yavlinskiy's electoral bloc confirmed Yuriy Bednev as candidate for deputy of the RF [Russian Federation] State Duma from single-seat electoral district No. 13. Boris Tlyanchev and Anuar Gudanayev (GAZETA YUGA No. 35) were included on the federal list. "We did not make it into the top 12, but nevertheless we are going full speed into the election campaign and count on success," Boris Tlyanchev, head of Yabloko's local branch, told a GAZETA YUGA correspondent. He also noted that Yuriy Boldyrev's withdrawal from the bloc had no effect on the situation in the Kabardino-Balkar branch.

Aslanbek Kumyshev Intends To Run on Two Lists

Aslanbek Kumyshev, chairman of the Kabardino-Balkar regional branch of the Forward, Russia! sociopolitical movement (GAZETA YUGA No. 16), has been confirmed as a candidate for deputy from single-seat electoral district No. 13. At the same time, he is listed sixth in the "Southern" regional list of the same movement—in the Fedorov movement's list, the "Southern" region represents a huge territory from the North Caucasus to Belgorod Oblast. Aslanbek Kumyshev told a GAZETA YUGA correspondent that he has already begun collecting signatures. He needs to collect 5,100 signatures in order to register as a candidate from a single-seat district, and 14,000 to be registered on the regional list.

Vladislav Bolov Nominated Both by the Party and Area Residents

Vladislav Bolov, chairman of the Kabardino-Balkar branch of the Democratic Choice of Russia party, is running on the Democratic Choice of Russia federal list from the North Caucasus region, and was also nominated by an initiative group at his place of residence as a candidate from single-seat electoral district No. 13.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

To the question of why he decided to run, Vladimir Bolov said: "Without the ideas carried by the political force that recognizes freedom and responsibility under the law for all citizens—from kitchen maid to president—we will not build a democratic society. I am a part of that force."

The criminal case initiated against Bolov by the RF General Procuracy has been dismissed on the grounds of absence of a criminal deed. The court ruled to restore to Bolov his previous work position—as NPO [scientific-industrial association] Antistikhiya director—but, as Bolov himself put it, he is being prevented from doing his job: "The Rosgidromet leadership decided to destroy Antistikhiya, so that by the time I returned to work the organization would be ruined."

Election Guidelines

Electoral Commission Head on Legislation

954F3513A Novosibirsk SOVETSKAYA SIBIR in Russian 20 Sep 95 p 2

[Interview with Lidiya Ustinova, chairman of the Novosibirsk Oblast electoral commission, by SOVETSKAYA SIBIR correspondent L. Semenova; place and date not given: "Starting School All Over Again"]

[FBIS Translated Text] [Semenova] The new elections law "On Elections of Deputies of the State Duma of the Russian Federation Federal Assembly" made changes in the system of electoral commissions organizing the preparation and conduct of elections.

The election campaign is currently at this stage. Our correspondent met with Lidiya Ustinova, chairman of the Novosibirsk Oblast electoral commission, and asked her to comment on some of the provisions in the new election law, in particular, the procedure for forming electoral commissions. Exercise of our rights as voters and the rights of candidates for deputy hinges on what kind of people will be working in them.

In the past, we "elected people worthy of the honor." Now it seems that the "worthy" are appointed from higher up?

[Ustinova] Yes, indeed, Chapter 4 of the federal law on electoral commissions contains a new norm. The word "appointed" is used here.

Electoral commissions of federation components and district electoral commissions are formed by the legislative and executive bodies of state authority. In oblast commissions, at least half of their members must be appointed by the lawmakers, and district commissions are formed on a half-and-half basis.

But read the law further. It envisages that selection of candidates takes into consideration proposals of elected bodies of local self-government, public associations, and voters meetings at the place of employment (labor collectives), study, and residence.

That is, the grass-roots initiative has been preserved in the new legislation, and I want you to remind labor collectives that they have the ability to recommend their candidates, in particular, for territorial (rayon, city) electoral commissions, as well as district commissions. We plan to complete the formation of territorial commissions by 1 October, of district commissions—by 20 October. This is earlier than stipulated by law, but in my opinion it is impermissible to leave the creation of the main segments of the election mechanism until the last moment. There is still time to select honest and experienced people for the commissions—and of course it is much easier to detect them at the "grass-roots" level.

[Semenova] Still, how in reality did you take into account labor collectives' proposals, in particular, in forming the oblast commission? The list of candidates was put together by directive of the administration head, and the second one was worked on by the committee on legislation of the oblast soviet of deputies.

[Ustinova] Yes, the lists of candidates for commissions were presented by the bodies of authority, but candidates from the lists proposed by bodies of local self-government, labor collectives, and public organizations were included in them.

I personally was included on the commission not because Ivan Ivanovich appointed me, but because Indinok agreed with the recommendation of my labor collective. As to my election as chairman, this was, as you know, the result of a secret ballot.

As to territorial commissions, the administration does not participate in their formation. They are appointed by bodies of local self-government, but also after taking into account voters' proposals: labor collectives, public associations, etc.

[Semenova] But not every territory has a local self-government body. How are territorial commissions formed, for instance, in rayons?

[Ustinova] Yes, bodies of local self-government in our oblast exist only in cities—in Novosibirsk, Barabinsk, and Berdsk. Rayons do not have them, and territorial commissions there will be formed in two ways: in cities, by the elected body of local self-government—for instance, a city assembly—and in rayons, by the district electoral commission.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

I would like to draw attention to another new norm regarding forming electoral commissions. An electoral coalition or bloc that has collected at least 200,000 voter signatures in its support and has registered its list of candidates in the Central Electoral Commission can appoint a member with the right of consultative vote to any level commission.

The same goes for candidates for deputy in one-seat districts. These people have the right to participate in the work of commission from the date the candidates for deputy or the federal list are registered.

[Semenova] When will their authorization expire?

[Ustinova] If the candidate is elected as a deputy, and the electoral coalition receives at least 5 percent of the vote and participates in the distribution of deputy mandates, commission members appointed by them are authorized to continue their work for four years, until the next elections.

If they are unsuccessful, if the candidate is not elected, after the elections the authorization of representatives on the commission expires in 30 days.

[Semenova] One can imagine these "mass-scale" commissions if, for instance, 20 candidates are registered in a district, plus several on federal lists. Especially on election day.

[Ustinova] On election day it is not only the representatives of candidates with the right of consultative vote that will participate in the work of the electoral commissions. Each candidate running for a deputy seat, each electoral bloc, and each electoral coalition has the right to appoint one observer to each commission on election day. Also, do not forget that candidates' authorized representatives also will be there. Plus foreign observers and representatives of the press.

[Semenova] In the past, representatives of the public also watched the organizational part of the voting, but as a rule were not permitted into the vote-counting room.

[Ustinova] Now the observers have the right to be in the election precinct from the beginning of the vote to the moment the final documents are signed on the results, to be present when the ballot box is opened, the ballots are sorted, the votes are counted, etc.

[Semenova] Lidiya Ivanovna, since we mentioned the vote-counting, could you share your opinion regarding possible falsification of the election results?

[Ustinova] What does my opinion have to do with it? Let us simply look at the objective preconditions for such falsification—considering the strict control mechanism on the side of candidates for deputy.

Take, for instance, vote counting in the precinct in front of several dozen observers. In their presence a protocol of secret balloting is written in three copies and is immediately announced.

Each person present can write down for himself, for control purposes, how many registered voters there are, how many showed up, how many ballots were issued, how many were found in the ballot box, how many are valid, and how many were invalid. How many people voted for one candidate, how many for the other. How many ballots were canceled.

One copy of the protocol stays in the precinct commission, another is sent to the higher level commission, and the third is kept as a control copy. Any of those present have the right to demand to be given a certified copy of this protocol.

The second and third stages of public control are in the territorial district and oblast commissions, where the results are summarized in front of everyone.

Everything can be verified! And all documentation will be kept after the elections as well.

Tell me, is fraud possible with such a system of control?

[Semenova] Are you asking my opinion? I personally believe that spreading such rumors is nothing but a political game. A chance for the losers to create confusion.

[Ustinova] Let us hope that the current elections, despite the complexity of the electoral process, will proceed in an organized way, and even the losing politicians will behave in a dignified manner because behind every mandate are someone's hopes and interests.

Social Accord Treaty Body To Maintain Ethics

MM2509124795 Moscow ROSSIYSKAYA GAZETA in Russian 21 Sep 95 pp 1, 2

[Report by Aleksandr Batygin: "The Idea Is Wonderful, but the Peace Is Fragile. Rumors About the Demise of the Social Accord Treaty Remain Unconfirmed. Sergey Filatov Believes in Its Strength and Durability"]

[FBIS Translated Text] Members of the conciliation commission for the implementation of the Social Accord Treaty have devoted their latest session to ethics. Ethical standards were discussed not as an abstraction but in the context of the present election campaign. At one time we had exclaimed: "Ooh, they're giving it to each other!" as we saw members of far-away Taiwan's parliament giving each other a beating on television. Now there are incidents in our own Duma which are even worse. It is nothing at all to spit in your opponent's face.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"The conciliation commission and the Public Chamber can help the voters. But in order to do this it is necessary to show them who many of the candidates are, indicating their level of professionalism, professional qualities, and the guarantees they can give," Sergey Filatov said in his introductory address.

The head of the Russian Federation Presidential Staff placed special emphasis on the fact that there are forces which cannot refrain from lying, mudslinging, and scandalmongering. If in the course of the electoral battles all mechanisms which can put a stop to these forces are not brought into play, then after 17 December we may end up covered in mud and having to spend much time washing it off.

However, not all participants in the session share the hope that it is possible to conduct in a civilized manner the bitter contest in which the prize is a seat in parliament. The very gifted academician, V. Kudryavtsev, is convinced that it is impossible to teach grown-up people with no self-control how to act in a cultured manner and conduct themselves in society, especially when political tension is mounting in the runup to the elections. "Though you can do little to help by making appeals, they are still necessary," the academician unexpectedly concluded.

In turn, A. Volskiy, one of the leaders of the "Trade Unions and Industrialists of Russia — Labor Union" bloc, described the current election campaign as "troubled" and called on the many party members of different hues who are seeking power in the Duma not to divide each other into friend and foe and not to turn the elections into a "class struggle." Arkadiy Ivanovich put forward his understanding of ethics, regretting the part played by that section of the mass media which in his words is trying to drive a wedge between the bloc's leaders. "We have still not submitted an application to the Central Electoral Commission," he said, "but the program 'Vremya' has already 'dissected' us. As it said, people from opposite ends of the spectrum cannot be allies."

State Duma Deputy V. Nikonov calmed down the participants. "We have the worst electoral system," he admitted. Because the 5-percent "threshold vote" is too low — which is why dozens of parties and movements are making the relations between them clear. But the scandals, in Nikonov's opinion, are a "natural aspect of the political struggle."

In short, the commission members agreed that ethics are necessary and maintaining ethical standards is a matter of honor, but not everyone has matured sufficiently to realize this. It was clearly no accident that mention was made of the fact that in the recent incident involving violence it was necessary not to appeal to people's consciences but to summon them to court and the prosecutor's office.

So does the conciliation commission have any real power? **And, generally speaking, what place does the Social Accord Treaty have in the hearts and minds of people — both those who have taken the path leading to the Duma and those who are observing the electoral race?**

A little under 18 months ago in the Kremlin, amid the splendor of the bronze chandeliers and the snow-white marble walls on which the names of the holders of the order of St. George are picked out in gold, there was solemn talk about civil peace, stability, the nonuse of force to achieve political goals, and much else. Today you can see for yourself that the process of accord has clearly come to a standstill. It is no accident that the civil accord assembly was rescheduled time after time, after which they forgot altogether to fix a date for it. The explosive events in the North Caucasus, social conflicts, the crime wave, the refugee problem, and the "Russian-speaking population" which has been left to the mercy of fate have all pushed aside the ideas of civil accord and turned sound words into an empty declaration. In an atmosphere of rumors and conjecture — whether about an imminent coup or the elections' rescheduling — and in a situation where the replacement of withered lime trees on Red Square becomes the subject of political speculation, it is unbelievably difficult to realize the principal aim, to turn enthusiasm for the treaty into reality, that is, facilitating the search for compromises, helping to beat the crisis, and resolving disputes by peaceful means alone.

Does the treaty stand a chance, in September 1995 and beyond, of having a real influence on our lives, with each line of it "working" to preserve Russia's integrity and maintain order in the country while establishing justice and stability in our common home, which the overwhelming majority of us does not intend to change?

Let us stop and think: Many of those who have today joined the election race signed the Social Accord Treaty and are now violating it. Our country has a treaty and a Constitution with a guarantor, and yet there is no order. So can the Social Accord Treaty really benefit an election campaign on whose outcome so much depends?

I put this question to S. Filatov after the commission session was over. This was his reply:

"Yes, the treaty stumbled over the events in Chechnya. There was, so to speak, an enforced pause, although our work did continue — roundtables were held at

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the commission and we participated in the drafting of legislative acts. But the treaty did not cease to exist. You can see this first and foremost in the fact that the parties to it continually write to us posing us questions. People want to keep the treaty!

"I believe," Filatov continued, "that the present elections and the coming presidential elections will bring the parties of the Social Accord Treaty together. It will unite them thanks to the lofty goals it sets. Otherwise, the elections may turn into a destructive mechanism which destroys the state. I believe there is every reason today to reunite and strengthen the parties to the treaty. After all, the idea of civil peace enshrined in it is wonderful!"

...So, will today's worthies succeed in carrying out even the smallest part of the promises which they are making so generously at the entrance to the Duma? I do not know whether the legendary grenadiers with St. George emblazoned on their chests were in harmony with ethics. But I do not doubt the fact that they loved their homeland dearly.

Forecasts & Commentary

Poll Shows NDR, KRO Leading Election Blocs

LD2509182995 Moscow INTERFAX in English 1706 GMT 25 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 25 (INTERFAX) — The Our Home Is Russia (OHIR) [NDR] election bloc (leaders Viktor Chernomyrdin, Nikita Mikhalkov and Lev Rokhlin) and the Congress of Russian Communities association (CORC) [KRO] (leaders Yuriy Skokov, Aleksandr Lebed and Sergey Glazyev) could most successfully settle Russian political problems, according to the results of a public opinion poll recently held by the Public Opinion Fund.

A total of 7.6% of the poll participants named the OHIR and the CORC amongst 15 leading election blocs of this country.

The political problems raised by the poll were the deteriorated situation in Chechnya, the crisis of the Russian banking and credit system, and NATO bombing of Bosnian Serb positions.

The two blocs are followed by the Russian Communist Party (leaders Gennadiy Zyuganov, Svetlana Goryacheva and Aman Tuleyev), which was supported by 6.4% of the respondents.

A total of 4.8% of the respondents supported the Liberal-Democratic Party of Russia (leaders Vladimir Zhirinovskiy, Sergey Abeltsev and Aleksandr Vengerovskiy) and 3.1% supported the YABLoko association (leaders Grigoriy Yavlinskiy, Vladimir Lukin and Tatyana Yarygina).

Less than 1% of the poll participants supported the Agrarian Party of Russia (Mikhail Lapshin, Aleksandr Zaveryukha and Vasiliy Starodubtsev) and the Power to People bloc (Nikolay Ryzhkov, Sergey Baburin and Yelena Shuvalova).

Zaveryukha Predicts 15-20% Vote for Agrarian Party

LD2209120095 Moscow INTERFAX in English 1018 GMT 22 Sep 95

[FBIS Transcribed Text] VOLGOGRAD, Sept 22 (INTERFAX) — The electoral bloc known as Russia's Agrarian Party [RAP] will win "at least 15 to 20% of the vote" in the upcoming parliamentary elections. Deputy Prime Minister and a member of bloc's ruling board Aleksandr Zaveryukha said in response to a question from the INTERFAX news agency.

Zaveryukha is paying a working visit to the Volgograd Oblast. He sees the rural voters as "united" and assumes that the Agrarian Party enjoys growing popular support. Thirty eight percent of Russians live in the countryside.

Zaveryukha, whose name features in the central part of the Agrarians' electoral nominations list, rejects media reports on a split in the party ranks.

It is only the leaders of the Farmers' and Agricultural Co-ops' Association who are marching together with the Our Home Is Russia movement (led by Prime Minister Viktor Chernomyrdin), Zaveryukha said. In the provinces, though, farmers support Russia's Agrarian Party and the Farmers' Party, led by Yuriy Chernichenko, can be written off as hardly representative of the farmers' interests.

According to Zaveryukha, the RAP bloc aims to win "at least twice as many parliamentary mandates as it has now" (55) and build "a strong faction" in the State Duma.

Yushenkov: 'Incompetent' Grachev Should 'Keep Quiet'

LD2709155195 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1220 GMT 27 Sep 95

[FBIS Translated Text] The Defense Ministry wants to become a political party, something which contravenes the law on defense, Sergey Yushenkov, chairman of the State Duma defense Committee, told Moscow Echo radio station, commenting on Defense Minister Pavel Grachev's announcement that 123 officers, 23 of them generals, would stand for election to the State Duma in single-seat constitutencies.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"Of course, Grachev needs obedient people in the Duma, people who will without thinking vote for an increase in compulsory military service, in manpower, and in military spending," Yushenkov reckons.

"Grachev would do better to keep quiet, then everyone could pretend that they do not notice that the Defense Ministry is headed by an incompetent, a man far from Russia's interests who thinks only of himself and his entourage," Sergey Yushenko declared.

IZVESTIYA Views Congress of Russian Communities

MM2109134295 Moscow IZVESTIYA in Russian 16 Sep 95 p 4

[Article by IZVESTIYA analysis center: "Nomenklatura Patriotism Under Lebed's Wing; What Does Congress of Russian Communities Ingratiating Great-Powerdom Promise the Country?"]

[FBIS Translated Text] "The Congress of Russian Communities [KRO] considers one of its priority tasks today to be the struggle for power...." (from the "Declaration of the Congress of Russian Communities").

Slogan: "Russians, unite! We are at a dangerous frontier!"

Motto: "No one but us!"

Call: "Be with us!"

Numerical strength. Recommending itself on the one hand as a supraparty movement and on the other as a sociopolitical one "uniting all patriots of Russia," the KRO as an electoral association includes a whole series of movements, parties, and structures of varying caliber and importance. If, in counting up the KRO's "men," we are guided by the showy cliche "all patriots of Russia" then it must be recognized as a very large association. If we consider the KRO's claims to the function of defending the rights of Russian people "in any part of the planet" and primarily in the near abroad then the congress should have a very powerful bulwark and base. But it seems to us that the KRO's Russian infrastructure is highly hypothetical and in the regions the election emphasis is being placed on figures who can attract the electorate by the mere magic of their names.

A brief history course. Here too, as in the "life story" of the Communist Party of the Russian Federation, there emerges a claim to a "grassroots," "spontaneous" pedigree: "At the critical point, abandoned by Russia's official authorities, people have rallied in the search for a way out and have found it...."

More likely the way out was pointed to them by a young man, an international journalist and politician from the Communist Youth League-perestroyka days, Dmitriy Olegovich Rogozin. Of the many ideas which the new power of the new Russia generously dispensed (and, alas, spilled) he has selected the most politically promising and humanly uplifting — the idea of defending ethnic compatriots in the near abroad.

The "Union for the Revival of Russia" — an association of young politicians of centrist orientation — has risen up on the basis of this idea.

Later there was the first constituent Congress of Russian Communities (2 March 1993) which the initiators planned would lay down the structure designed to unite the Russian communities of the near abroad. But the idea laid at the basis of the Congress proved to be politically so promising that it ensured its founders a place in Russia's "big-league politics."

The Second Congress of Russian Communities (January 1994) adopted the Declaration of Rights of Compatriots, instituted a number of organizations, and called for the recognition of the Dniester Moldovan republic. It is amusing that here the congress participants demanded that General A. Lebed be removed from the 14th army command.

The desire to take part in the 1995-1996 election campaigns led to the creation of the All-Russian Congress of Russian Communities. In its "Manifesto for Russia's Revival" the KRO proclaims itself to be the main Russian sociopolitical organization expressing — no more and no less — the Russian people's moral and political will. The fundamental nature of its goal demanded a fundamental leader. The KRO's entire subsequent history falls within the search for such a leader and his acquisition. The first to step forward was Senator Petr Romanov, who was billed as a rallier of all left-wing and "patriotic" forces. The propaganda took no account of expense or moderation, as was borne out by the promotional publication with the simple and modest title "I, Petr Romanov."

But the left-wing hordes did not hasten to follow him in a single monolithic column. The Communist Party of the Russian Federation and the Agrarian Party of Russia stated that they would act alone. Then the famous man "on the throne of the eternal worker" was pushed aside by Yuriy Skokov, who skillfully seized the post of leader of the organizational committee for the creation of the KRO.

His virtuosity was also displayed in the decision to abandon the founding of a Russian KRO organization and to regard the proposed forum not as a constituent congress but as the first congress of the association previously created. That is to merge the International

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and All-Russian congresses of Russian communities into a single structure.

The former Russian Federation Security Council secretary and leader of the Federation of Commodity Producers at the head of the KRO is a major jewel in the crown of the great-power patriotic Congress. But even he was put into the shadows by the appearance of General A. Lebed to the people. With this recruit the KRO got its biggest chance.

The Third (All-Russian) Congress of the Congress of Russian Communities (April 1995) gathered 592 delegates from 67 regions of Russia, guests from all republics of the former USSR, and politicians known throughout Russia: Skokov, Lebed, Glazyev, Govorukhin, Zatulin. The decisions made included the convening and holding of a Congress of Russian Peoples, the preparation of the KRO program, and the formation of an election campaign headquarters. In the brief search for co-founders for their future electoral association the KRO leaders gave preference to left-wing-patriotic and unpoliticized corporate structures of second or third-rate importance. Among the first to swear allegiance to the new leader was L. Vartazarova's Socialist Party of Labor. After which the KRO's "great-powerdom," which was moderate but obvious and thus frightened off many people, was balanced by the "Union of Peoples of Russia" consisting of the Assembly of Peoples of the Volga Region and Urals, the Assembly of Turkic Peoples, the Association of Finno-Ugrian Peoples of the Russian Federation, the All-Tatar Public Center, the Congress of Peoples of Komi, the Center for the study of Interethnic and Interregional Economic Problems, and the Chuvash National Congress.

The congress of the KRO electoral association held in early September this year examined questions of participation in the elections to the State Duma, approved a general federal list of KRO candidates headed by Yu. Skokov, A. Lebed, and S. Glazyev, and also adopted the association's electoral platform.

Leaders. Yuriy Vladimirovich Skokov, chairman of the KRO National Council, was born in 1938 in Vladivostok. He graduated from the Leningrad electrical engineering institute specializing as a radio engineer and designer. A CPSU member since 1967, he worked in many secret defense industry establishments and was a candidate of technical sciences "on a secret topic." He traveled the path from junior research assistant to general director of a secret scientific research institute and chairman of the board of the "Kvant-Emp" firm. He was a member of the Moscow CPSU City Committee where he met Yeltsin and was elected a USSR people's deputy. In the first round he outstripped his rivals although as we know the Sverdlovskiy Rayon CPSU Committee (Moscow) had prevented the registration of Vitaliy Korotich and Yuriy Nikulin in the district.

He once rejected Ivan Polozkov's proposal that he take an eminent post in the leadership of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party but he took the post of first deputy chairman of the Russian Council of Ministers.

His extensive personal ties and authority in the military-industrial complex and party and soviet nomenklatura and also his friendly relations with the military assured Skokov's rapid rise in the Russian leadership. Appointed secretary of the Council for the Affairs of the Federation and Territories under the Russian president and a member of the RSFSR State Council and the Russian president's adviser for security issues, in April 1992 he became secretary of the Russian Security Council.

Showered with the president's favors, Skokov became a key figure in Russian politics. Finally matters reached the point of his nomination for the post of premier. During a ratings vote at the seventh congress of people's deputies of Russia he received the highest number of votes of the candidates put forward by Yeltsin but the president stated that Skokov had a lot of work to do in the Security Council and Viktor Chernomyrdin became premier.

His upward movement ended 20 March 1993 when Skokov refused to rubber-stamp the president's edict on the introduction of a special regime for the country's administration and then opposed him at a session of the Russian Supreme Soviet. This demarche cost him his eminent post together with V. Barannikov and G. Khizha.

In spring 1994 vigorous but unsuccessful attempts were made to nominate the former Security Council secretary for a key government post. Already many people were voicing the opinion that Yu. Skokov was an alternative, "reserve," figure used to remove V. Chernomyrdin from the post of head of government.

It is very amusing that this convinced champion for the integrity of the Russian state body once "shone" in his contacts with leaders of "aggressive separatism." In particular Abkhazian separatism. As for the Dniester Region separatism in the shape of its party and economic leaders, then in the KRO they have a powerful opponent like Aleksandr Ivanovich Lebed.

Much has been said about Lebed. And much more will be said yet. Meanwhile we shall merely note that this blatantly charismatic figure (particularly in the eyes of a specific section of the Russian electorate) obviously stands out among the rank and file of the KRO

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

nomenklatura patriots — by his outward appearance, the style of his statements, and his modus operandi.

Actually Skokov and Lebed together organically complement each other.

And there is also Sergey Glazyev, a State Duma deputy from the Democratic Party of Russia, chairman of the State Duma committee for economic policy, chairman of the national council of the Democratic Party of Russia (formerly Travkin's), former minister of foreign economic relations of Russia, laboratory chief of the Russian Academy of Sciences Central Economics and Mathematics Institute and a doctor of economic sciences.

And he is only 35. He has tremendous political experience on his young shoulders. A "brilliant economist," as the KRO publicity handout bills him.

You cannot accuse the authors of this publication or the characters in it of modesty. There is not a name that is not showered with glittering epithets. And as a whole "we members of the KRO have different views and passions, professions and incomes." And indeed the KRO is like Noah's Ark in which "the animals went in two by two." It is very diverse, this congress of nomenklatura and bureaucratic patriotism, and very diverse people have gathered in it — from the very well known to the not very well known, from entirely respectable people to the extremely odious capable of frightening away not only Russia's "true patriots" but also its friends in the countries of the former Union.

Indeed, we are not interested right now so much in them as in the KRO's promises and its ability to keep them.

Election platform. The KRO rejects aggressive nationalism. Unaggressive, "healthy" nationalism promoted to the rank of patriotism is acknowledged and proclaimed as the very foundation of its activity. But it immediately smoothes out the sharp painful corners with the file of reasonable moderation. If one strategic slogan of the KRO proclaims: "Russians, unite! We are at a dangerous frontier!" Another has a paternal and reassuring ring: "Union of peoples, federation of regions." If "there can be no union of peoples of Russia without the unity of the Russian people," then "without the union of the peoples of Russia there can be no unity of the Russian people" — one more very correct strategic slogan of the KRO.

It has many correct chief strategic slogans but the most correct and the most important is perhaps the following: "Without the unity of the Russian people and without the union of the peoples of Russia there can be no strong, effective state as a guarantee of national interests." The idea of a strong and effective state is so self-sufficient and self-contained that it overshadows the ideas of unity and the considerations of a sane mind which in the recent past well understood what kind of a guarantee of national interests this "strong and effective" state could be as a panacea against all the people's ills. The KRO's moderate, cautious, and meticulous nationalism ceases to be any such thing when it is a case of "Dear Comrade State" and the basis of Russian statehood — the Russian people. But here, too, the idea of the "older brother" as the state people who have undermined their vital resources through the tyranny of their past and present rulers is sensibly balanced by the revamped slogan of Lenin's friendship of the peoples.

All the main provisions of the KRO's election platform bear the mark of moderate common sense. But it is very amusing that its bureaucratic nucleus cobbled together under the national banner declares in its "platform" a battle "against the state of bureaucrats and for bureaucrats." And it is not amusing at all when it immediately proclaims "priority development for strategic nuclear forces as a guarantee of the state's security and territorial integrity."

"You cannot put a war-horse and a trembling fawn in the same carriage," but when elaborating an election platform it is entirely possible. "War-horses" and "fawns" are next to each other on its pages but so peacefully and harmoniously that you want to stand and applaud as you used to do at the Moscow City CPSU Committee and CPSU Central Committee plenums because the comrades are marching along a very correct and well-trodden path intending to create favorable conditions for the development of Russian production, to bring inflation down to no more than 1 percent a month, and to keep the living standard guaranteed by the state no lower than the subsistence minimum defined for each region. Each point of the platform's economic section be it "the reduction of taxation on enterprises' current revenue" or "a merciless struggle against the criminalization of economic activity" can only generate grateful delight among the electorate and the wish to see their friends from the KRO on the pinnacle of power as soon as possible.

Feasibility Study. Analysis. Forecast

Possible scenarios for "coming to power." At the present stage the KRO can hardly count on absolutely favorable election results. Only through the tortuous paths of coalitions, and compromises, primarily with the leftists (the Agrarian Party of Russia and the Communist Party of the Russian Federation) and with some "patriots" (but not the Liberal Democratic Party of Russia) will they be able to acquire allies in parliament and a chance of exerting at least some influence on the executive branch.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

They will also need support in its top echelons, which is entirely feasible, for the KRO's ruling clique is flesh of the flesh of those in power at present.

Most likely the KRO leaders will try to edge their way into the power structures during the next "brawl" in the top echelons in connection with the figure of the premier. Budget difficulties and seasonal complications in the economy could very well give rise to such a situation. And then on the eve of the elections some people from the president's entourage might want to "seek an alternative" in the shape of Skokov.

A more likely situation is that the Chernomyrdin government remains in its post until the State Duma elections. But if the KRO outstrips "Russia Is Our Home" in the election race in terms of the number of seats obtained then the post of premier and the opportunity of forming a government (most likely a coalition government) could very well go to Yu. Skokov. Of course only with the support of the left-wing forces in the Duma.

Consequences and Prospects. The promised reduction of inflation to 1 percent a month is possible with a tough restriction of budget expenditure. But if it pays out generously on all its election promises then the growth of inflation of tens of percent a month is inevitable. Indeed, O. Glazyev, who drew up the KRO's economic program, is very well aware that the majority of the aims outlined in the election platform will have to be sacrificed for the sake of the two or three top priority ones.

What might be a priority for the KRO members' hypothetical government? To answer this question you have to imagine the main social groups on which the KRO is based and whose interests it will defend primarily. An analysis of sociological polls and feasibility studies shows that in looking at the congress the Russian voters sees above all General Lebed. This figure is the most attractive to the small and middle bureaucrats, the moribund countryside, and some of the intelligentsia and for those who would like to live on their wages but who under present conditions cannot do so and are obliged to manage as best they can — until they die. That is the basis of the KRO's future electorate.

But the KRO's main financial and organizational bulwark has been and remains Skokov's Federation of Commodity Producers of Russia which unites in its ranks those directorates who cannot conceive of an existence without permanent injections from the budget and benefits and who in the long term would like state orders with guaranteed financing and not overly strict terms for fulfilling them.

So it is possible to predict quite confidently that Russian producers of not very competitive or totally uncompetitive output will receive a mass of benefits — tax, credit, and customs benefits and so forth — and additional opportunities for personal success and the accelerated transformation of the joint-stock companies they head into their personal property de facto or de jure.

There is no doubt that the military will also demand their share. And most likely they will get it because "maintaining the military-industrial complex's high-technology nucleus" is also one of the KRO's program aims.

Only the redistribution of budget funds can give anything for that. Only the redistribution of already privatized property will satisfy the new power's allies, which is the purpose of the broad interpretation of "a merciless struggle against the criminalization of economic activity."

In these circumstances the promises to the ordinary voter will probably remain unfulfilled.

Not every country with a highly developed economy could raise the level of social protection of its citizens to the level of "the guaranteed subsistence minimum determined for each region." In present Russian circumstances this looks like elementary bluffing. It is also clear that any such experiments with the support of "national commodity production" will lead to an even greater reduction in the living standard.

The left-wing parties which could most likely help the KRO come to power (and possibly share power with it) will cease to need the KRO's support in the future. And the Communists will undoubtedly try to exploit the inevitable universal dissatisfaction with the market economy, now in its "patriotic" form — with all ensuing consequences.

PRAVDA Urges Vote for Single Leftist Bloc

MM2109124195 Moscow PRAVDA in Russian 20 Sep 95 p 1

[Article by Viktor Trushkov: "A Kaleidoscope of Parties, But Only One Russia. Only Cooperation Among Left-Wing Forces Will Save the Country"]

[FBIS Translated Text] The registration of electoral associations seeking to participate in the State Duma elections is coming to an end. Dozens of teams of power seekers have crawled out of the political woodwork like cockroaches: Over 40 parties and blocs have already been registered at the Central Electoral Commission. Why? This variety could have been understood in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a peaceful, "relaxed" period in the development of society: All hues and shades of property groups and political moods are reflected there. But the climate is different now — a strong wind is whipping around a desert dune. It is not leaders and parties that will have to be chosen, but the future of the fatherland. Irrespective of how many candidates are to be found on the ballot paper, there is nevertheless only one alternative: whether Russia is to exist or not.

If the capitalizers maintain power — it will not exist. No matter how all kinds of "democratic" tatters are dressed up — such as the blocs of Ye. Gaydar, G. Yakunin, along with G. Starovoytova, S. Fedorov, I. Khadamada, G. Yavlinskiy, S. Shakhray, V. Chernomyrdin, and so on and so forth — it is all intended to shut our protesting mouths. Yes, these blocs also argue among themselves, but not about the prosperity of Russia, which does not interest them; they argue about the tactics of the "building" of capitalism on this tempting area at Russia's expense.

The second group of registered blocs and parties are the "pantomime actors." This company includes V. Zhirinovskiy's Liberal Democratic Party of Russia, A. Rutskoy's "Derzhava," Yu. Skokov's "Congress of Russian Communities," S. Fedorov's "National Self-Government...." The list is a long one. Of course, they are not all pantomime actors of the same standard, their terminology differs in its details, and they adorn the world of the predominance of private ownership with different bows. But basically they are the same sort of capitalizers. And this means that, irrespective of their wishes and words, they are the destroyers of Russia because there is no nationally oriented capital in the country nor can there be in the present conditions. Of course, there are nationally oriented individuals among the entrepreneurs, but the same cannot be said of their capital, which lives its own life, and they have become slaves to it. Competition — if nothing else — prevents capital, and therefore its owners, from being nationally oriented, and the threads of business are inevitably pulled abroad. The question of whether to choke the country by means of capitalism Gaydar-style straightaway or to poison it bit by bit is immaterial. Incidentally, the latter may turn out to be more agonizing.

The third group of associations registered at the Central Electoral Commission consists of those who are trying to save Russia through socialism. This is a life-giving prescription, and there is a chance for it today. But even the left wing's efforts are fragmented. I find this particularly upsetting because I have tried to prove until I was blue in the face, both within the PRAVDA team and on my own, from academic rostrums, the need for unity among the forces of a socialist orientation.

Evidently, our "leaders" nevertheless have insufficient mutual good will, patience, wisdom, an understanding of the situation, and maybe also real love for Russia, rather than just ostentatious love. I understand that this sounds offensive, but I am writing about this out of hopelessness: Do we have to guess, do we have to force half of Russia to guess whom to prefer: Zyuganov? Lapshin? Ryzhkov? Tyulkin...? If you read carefully the election platforms of the CPSU and the "Power to the People!" bloc, they are like two peas in a pod. Is it really possible to save the fatherland without an alliance of the working class and the intelligentsia with the peasants?! Compare the immediate tasks of the Communist Party of the Russian Federation [CPRF] and the "Communists-Working Russia-Soviet Union" bloc — they are similar. Because they ensue from the present state of society, from the unaging Marxist method of analyzing existence — it is not important whether people use it intentionally, showily, or unobtrusively.

During the first phase of the election campaign, the "leaders" of the left-wing forces failed their examination, but time allows them to resist their examinations.

First of all, if their love for Russia and its hardworking people is genuine, then they have to give up the mutual defamation — they (we!) have enough common foes. It is impermissible to argue among ourselves! Any public grudges mean a loss of votes from the common pool of left-wing forces. It is now required that all four major left-wing blocs transcend the 5-percent mark.

Second, politicians should be learning right now the lesson of future cooperation among left-wing forces in the Duma. This lesson is — to help each other.

Third, a unique possibility for the party grass roots to place their leaders under party control has emerged. This did not happen during the first phase, unfortunately. That is why a number of "leaders" of the left-wing forces did not want to run in single-seat districts. It would be useful for the grass-roots committees to urgently create unified councils of left-wing forces at the electoral district level. Let all candidates of a socialist orientation join, too (of course, vigilance is vital in respect of the "pantomime actors"). Together they can all reach agreement on unity of actions, campaign tactics, and when to eliminate the less promising candidates in favor of one. If there is not the will and consistency for this, then we will have before us not fighters for the interests of the people of labor and the good of Russia but demagogues, "pantomime actors" again.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Fourth, competition among the four left-wing blocs is impermissible if only because we have to help the electorate overcome the confusion. Approximately 50-60 million compatriots have been put in the position of the proverbial donkey. The burden of choosing between similar armloads of hay suspended above him doomed the donkey to starvation. The burden of choosing among the left-wing associations may destroy the desire to vote. This must be prevented.

On 17 December patriots will be choosing not between Zyuganov and Tyulkin, Ryzhkov and Lapshin — that will be the day of the people's self-determination. There are the "pantomime actor" politicians, but it is impermissible for citizens to be "pantomime actors" — complaining about their bitter fate and the bitter fate of the country, but refusing to vote. You are a citizen not by your passport, but in essence — the only patriots will be the people **who go to the polling place 17 December and vote for one — only one, or the vote is annulled — of the four blocs.** It is not all that important today whether this is the CPRF, the Agrarian Party of Russia, "Power to the People!" or "Communists-Working Russia-Soviet Union." In the Duma they are doomed to be a single force — if they are not blacklegs and if Russia is really dear to them.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Strategic Policy Toward CIS Published

MM2809085795 Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 95 p 4

[Russian Federation president's edict No. 940, dated Moscow, The Kremlin, 14 September, and signed by Russian Federation President Boris Yeltsin plus appended document on "Strategic Policy of Russia Toward CIS Member States"]

[FBIS Translated Text]

On Approval of the Strategic Policy of the Russian Federation Toward CIS Member States

With a view to deepening the integration processes within the CIS and enhancing the coordination of activity by Russian Federation organs of executive power along this avenue, I decree:

1. The appended Strategic Policy of the Russian Federation Toward CIS Member States is approved.

Organs of executive power at all levels are ordered to be rigorously guided by it in all their practical work.

2. A government commission for CIS questions is to be created for the implementation of the Strategic Policy of the Russian Federation Toward CIS Member States.

The Russian Federation Government is to approve a statute on the aforementioned government commission and its composition.

3. This edict comes into force on the day it is signed.

[Signed] Russian Federation President B. Yeltsin

[Dated] Moscow, The Kremlin, 14 September 1995

Strategic Policy of the Russian Federation Toward CIS Member States

The development of the CIS is in line with the Russian federation's vital interests, and relations with CIS states are an important factor for Russia's inclusion in the world's political and economic structures.

I. Objectives and Main Tasks of the Strategic Policy of the Russian Federation Toward CIS Member States

1. The priority given to relations with CIS member states in the Russian Federation's policy is primarily determined by the fact that:

our main vital interests in the spheres of the economy, defense, security, and protection of the rights of Russians are concentrated on the territory of the CIS, and the safeguarding of these interests constitutes the basis of the country's national security;

effective cooperation with CIS states is a factor which counteracts centrifugal tendencies in Russia itself.

2. The main objective of Russia's policy toward the CIS is to create an economically and politically integrated association of states capable of claiming its proper place in the world community.

3. When developing relations with our CIS partners, it is important to be firmly guided by the principle of not inflicting any damage to Russia's interests. The partners' diverse interests must be coordinated on the basis of balanced mutual compromises.

4. The main tasks of Russia's policy toward the CIS states are:

to ensure reliable stability in all its aspects: political, military, economic, humanitarian, and legal;

to promote the establishment of CIS states as politically and economically stable states pursuing a friendly policy toward Russia;

to consolidate Russia as the leading force in the formation of a new system of interstate political and economic relations on the territory of the post-Union space;

to boost integration processes within the CIS.

II. Economic Cooperation

5. Mutually advantageous economic cooperation should be seen as the fundamental prerequisite for solving the entire package of questions concerning mutual relations with CIS states. This task must be accomplished by means of the best possible combination of multilateral relations within the Economic Union framework and of bilateral forms of relations.

6. The development of trade links must proceed from the premise that they constitute an important instrument for stabilization of the economic situation and extrication from the crisis both in Russia and in the CIS states.

7. One of the most important ways to organizationally strengthen the CIS is the gradual expansion of the Customs Union which is made up of states linked with Russia by a deeply integrated economy and a strategic political partnership.

Matters must be driven toward the gradual accession to the Customs Union of the remaining members of the Economic Union as conditions for this ripen.

It is necessary to aim for a convergence of national economic systems by elaborating, jointly with our partners, ways to improve standard model acts within the framework of the CIS member states' Interparliamentary Assembly.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The model for variable-speed integration proposed by Russia within the CIS framework is not mandatory. But our partners' attitude toward this model will be an important factor determining the scale of economic, political, and military support by Russia.

With a view to consolidating and expanding the Customs Union, bilateral agreements should not give the parties to them equal (let alone greater) advantages than those enjoyed by members of the aforementioned Union.

8. The normalization of payments and settlements relations must be perceived as the most important condition for developing and improving cooperation. In this context, it is necessary to accelerate the practical work on forming a Payments Union, with a view to introducing common rules for the organization of currency markets in CIS states, adopting a currency exchange rate determined in line with demand and supply, attaining mutual convertibility of national currencies, and using the Russian ruble as reserve currency for the foreseeable future.

9. The formation of a viable integrated association presupposes effective cooperation in the development of production, science, and technology.

The most important avenues for this work must be:

to identify common scientific and technological priorities and pursue a joint strategy for the purpose of forming a unified scientific and technological space;

to coordinate the processes of structural restructuring of national economies through the elaboration of common interstate investment programs;

to ensure conditions for joint work by scientists and production specialists;

to pool efforts for solving ecological and environmental protection problems.

10. It is necessary to consistently resolve the task concerning the convergence of legal and economic conditions so as to create joint property on the basis of free entrepreneurial activity and create, in the long term, a common capital market. Comprehensive state support must be given to the creation of financial-industrial groups consisting of enterprises and banks from CIS states, and to the formation of transnational production, scientific, technical, and other structures.

11. The necessary conditions must be provided for the functioning of the Interstate Economic Committee of the CIS member states' Economic Union as an international organization pursuing the goal of boosting the effectiveness of cooperation within the CIS framework.

III. National Security

12. Matters must be driven toward the creation of a collective security system on the basis of the Collective Security Treaty [CST] of 15 May 1992 and of bilateral treaties between CIS states. There should be encouragement of the intention of states parties to the CST to unite within a defensive alliance on the basis of shared interests and military-political objectives.

Consistent work must be done to fine-tune the mechanism for implementing agreements already achieved within the CIS framework in the defense sphere and to preserve military infrastructure facilities on the basis of mutual agreement. There should be a switch to the principle of military basing in the event of reciprocal interest, with clear-cut regulations governing the legal position of Russian military bases and the status of servicemen and members of their families living in these states.

These questions should be resolved in line with the military-political situation prevailing in each CIS state.

It is necessary to ensure that CIS states honor their pledges to refrain from participating in alliances and blocs aimed against any of these states.

13. Cooperation between CIS states must be deepened in the sphere of state border security.

It is necessary to proceed from the premise that the reliable protection of borders along the CIS perimeter, which is their common cause and should be effected through joint efforts, corresponds with Russia's national interests and the common interests of CIS states.

Work must be completed on settling the package of border questions with CIS states and creating a treaty-legal basis for the stationing of Russian Federation Border Guard Troops in these countries. There should be a study of the possibility of creating in the future regional command units of CIS states border guard troops, and efforts should be made to create a uniform system for the protection of their borders.

At the same time, and with due consideration for the foreign political situation, the Russian Federation's state border with all adjacent states should be defined in line with the Russian Federation Law "On the Russian Federation State Border," while bearing in mind that the retention of the principle of open borders within the CIS corresponds with Russia's long-term plans. Practical work should be guided by differentiated approaches toward individual sectors of the Russian Federation state border depending on the state of bilateral relations with different states.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

14. It is necessary to proceed from the premise that peacekeeping activity aimed at settling and preventing conflicts in CIS states, primarily by peaceful political and diplomatic means, is an important component of efforts to ensure stability on CIS territory.

Matters must be driven toward ensuring that peacekeeping activity becomes the fruit of collective efforts by CIS states via their more active participation at all stages of activity to set up a mechanism for effective solution of peacekeeping questions within the CIS framework. All work along this avenue must be done in collaboration with the United Nations and the OSCE, and effective participation by these international organizations must be sought in settling conflicts on CIS territory.

In this process, and when collaborating with third countries and international organizations, it is necessary to seek their agreement that this region is primarily a zone of Russian interests.

Cooperation along the line of security services ought to be developed, primarily with a view to preventing the use of CIS territory by special services from third countries for purposes hostile to Russia. Cooperation with CIS countries' security services should be organized in strict compliance with Russian Federation legislation and respect for Russia's international commitments in the human rights sphere.

IV. Humanitarian Cooperation and Human Rights

15. It is necessary to step up Russia's cultural exchanges with states in the near abroad and cooperation with them in the spheres of science, education, and sports. Russian television and radio broadcasting in the near abroad should be guaranteed, the dissemination of Russian press in this region should be supported, and Russia should train national cadres for CIS states.

Special attention should be given to restoring Russia's position as the main educational center on the territory of the post-Soviet space, bearing in mind the need to educate the young generation in CIS states in a spirit of friendly relations with Russia.

Reciprocal exchange of information and cooperation should be organized between CIS states' national commissions for UNESCO.

16. It is necessary to aim for real guarantees of equal rights and freedom for all citizens of CIS states regardless of nationality and other differences. The expression, preservation, and development of the ethnic, cultural, linguistic, and religious originality of all peoples inhabiting these countries should be encouraged.

There should be active promotion of Russians' adaptation to the new political and socioeconomic realities in the countries, former USSR republics, of which they are permanent residents.

In the event of violation of Russians' rights in CIS countries, the solution of questions concerning financial, economic, military-political, and other cooperation between Russia and the specific state could be used as a possible means of influence depending on that state's real stance in the sphere of observing the rights and interests of Russians on its territory.

Russians should be helped in exercising production, economic, entrepreneurial, commercial, cultural-enlightenment, and educational activity.

Work should be completed on elaborating within the CIS framework a treaty-legal basis regulating mutual relations between CIS states in the sphere of observing the fundamental rights and freedoms of man and of ethnic minorities, bearing in mind the need to fundamentally ease the acuteness of nationalities problems.

V. Coordination of Activity for Solving International Problems and Collaboration With the World Community

17. Our CIS partners should be persistently and consistently guided toward the elaboration of joint positions on international problems and the coordination of activity in the world arena. Joint efforts should be applied to achieve the further affirmation of the CIS as an influential regional organization and to establish broad and mutually advantageous cooperation with authoritative international forums and organizations at CIS level.

18. It is necessary to proceed from the premise that the growing efficiency of mutual cooperation must become the most important factor capable of preventing centrifugal tendencies within the CIS.

Efforts should be concentrated mainly on coordinating the CIS states' positions in the United Nations and the OSCE and their approaches toward relations with NATO, the EU, and the Council of Europe.

VI. Basic Tasks of Bilateral Relations

19. Bilateral relations with CIS states should be formed with due consideration for the specific features of each of these states and their readiness for different forms for deeper integration. In the pursuit of Russian policy toward CIS states on a bilateral basis, it is necessary to proceed from the premise that the following are in line with Russia's interests:

assistance in stabilizing the political, economic, and social situation in these countries;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

their far-reaching and stage-by-stage gradual voluntary involvement in integration processes and in the collective solution of questions concerning military security, border protection, and peacekeeping activity;

prevention of confrontational aspects in Russia's relations with CIS states.

20. The following must become objects of permanent concern in bilateral economic relations:

maintenance of balance of payments equilibrium on the basis of long-term agreements;

preservation of Russia's leading position in CIS markets, especially in the sphere of markets for finished products;

performance of obligations in production sharing relations, prevention of debts resulting from commodity deliveries, and normalization of payments and credit relations;

favorable conditions for the transit of Russian goods across the territory of these states.

VII. On the Domestic Russian Mechanism for Implementing This Strategic Policy Toward the CIS

21. The Russian Federation Government fine-tunes the domestic Russian mechanism for the implementation of strategy toward the CIS, specifies the powers of ministries and departments performing certain functions in the sphere of mutual relations with CIS states, and systematically consolidates the legal basis of cooperation with these states.

22. The Russian Federation Ministry of Foreign Affairs, exercising state management in the sphere of the Russian Federation's relations with foreign states, ensures the implementation of common strategy and the coordination of foreign policy with CIS states.

23. The Russian Federation Ministry for Cooperation with Member States of the CIS is assigned responsibility for implementing the Russian Federation's economic and social policy in the sphere of mutual relations with CIS states.

The ministry in question:

organizes the work and coordinates the activity of federal organs of executive power and Russian Federation component organs of executive power on the development of cooperation with CIS states in the economic and social spheres;

organizes the negotiating process and drafting of bilateral and multilateral treaties and agreements with CIS states on economic and social questions;

assists the foreign economic activity of economic-player Russian Federation components with CIS states:

monitors the performance of agreements reached with CIS states and the honoring of commitments under Russian Federation treaties and agreements with these states.

24. A government commission for CIS questions is to be set up as an organ ensuring the implementation of Russian Federation state policy in the sphere of cooperation with these states.

Advance along all these avenues will create a real opportunity to build in the long term a regional international organization capable of ensuring political and socioeconomic stability on the territory of the CIS.

ITAR-TASS Carries Press Review for 28 Sep

LD2809101095 Moscow ITAR-TASS in English 0729 GMT 28 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW September 28 (Itar-Tass) — Under the headline "Scolded at home, Sergey Kovalev receives a prestigeous European prize", the IZVESTIYA newspaper carries an article on the presentation of a human rights prize to the well-known human rights activist in Strasbourg.

The daily reminds its readers that Izvestiya was the first to call Kovalev "Man of the Year" in 1994. However, people express a different attitude to Kovalev in Russia.

"The presentation of the prize returns Russia, as it were, to the Soviet times when the world paid its due to people who were called in Russia anti-patriots, traiters and defilers of their own home," the newspaper notes.

An IZVESTIYA commentary deals with the main international event — the success of a meeting in New York between the foreign ministers of Yugoslavia, Croatia and Bosnia where the sides adopted a document defining a constitutional setup of post-war Bosnia and Herzegovina as a single state.

The commentary stresses that everything looks superb on paper. However, it is too early to be triumphant. Firstly, Bosnia Serbs did not participate in the talks (Their interests were represented by Yugoslavia).

Secondly, fighting continues, while the New York agreement does not contain even an inkling on conditions and time of a ceasefire.

Thirdly, the document by-passed a difficult question of territorial delimitation on which the sides take irreconcilable positions. Judging by the commentary, the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

U.S. mediation success at the talks (settlement is based on the U.S. plan) may turn to be temporary.

Under the heading "Sensation", the KOMSOMOLSKAYA PRAVDA newspaper reports that the chief of the Federal Security Service (FSS) Mikhail Barsukov continues purging his department more vigorously and "tougher".

For instance, several executives of the FSS department of registration and archive funds were arrested a few days ago. The daily writes that they will be evidently arraigned of illegal dealings connected with trips abroad made for selfish purposes as well as of unauthorised transition of information to some people.

The policy of financial stabilisation again, for the umpteenth time, runs into political force majeur circumstances. In the conditions of the coming elections, an attempt to draft an uninflationary budget with an optimum level of deficit is a harrowing undertaking and is almost doomed from the very beginning.

This trend is examined by the ROSSIYSKIYE VESTI newspaper in an article entitled "Policy again breaks economy".

How to save the fishing industry if "fishermen retain only two kopeks from each earned rouble? The rest is swallowed by taxes, customs duties and transport charges". These and other issues are raised by the ROSSIYSKAYA GAZETA newspaper. It is not only fishermen who sell fish to foreign moneybags in the hope to survive that are guilty of letting Russian fish "to flow" abroad, ruining the federal treasury and devastating the Russian market of marine products.

It is very easy to understand Russian fishermen: the industry is living through hard times, the newspaper stresses.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kozyrev Addresses UNGA; Urges Improved 'Mechanisms'

MM2809082295 Moscow IZVESTIYA in Russian 28 Sep 95 p 3

[Report by Vladimir Nadein: "Andrey Kozyrev Complains About UN Double Standards. General Assembly Session Starts With a Clarification of Relations"]

[FBIS Translated Text] New York — Heads of states and governments will assemble in New York toward the end of October, and then we will see convincing proof that the current session is a jubilee session, marking a 50th anniversary. Judging by its beginning, the top leaders have reserved the most difficult work — reading out greetings and congratulations — for themselves. The foreign ministers have ended up with the rough, routine part — squabbling and insulting each other.

The tone was set by U.S. Secretary of State Warren Christopher who, by virtue of being host, was the first to speak. About the United Nations, he said that this organization has gotten bogged down in red tape and embezzlement. About Russia he said that every dollar reaching Iran will pay for the bullets and bombs of terrorists. About Bosnia — that it will remain a single state, at least to the extent that this depends on the United States.

True to Boris Yeltsin's instructions which he received in Sochi, the Russian foreign minister stated that not a single state or group of states would dare to monopolize the solution of international problems. "Attempts to rely not so much on strengthening the United Nations as on military alliances may prove dangerous for the integrity of peace and the work of the Security Council," he said.

Andrey Kozyrev also called for "overcoming the bloc mentality and establishing collaboration based on equal rights." He placed the emphasis on improving the mechanisms for conducting peacekeeping operations and applying sanctions. "Decisions on such measures and their implementation should be seen by the international community not to generate suspicions of 'double standards.' Neither sanctions nor peacekeeping operations should become a weapon of revenge or punishment against whole peoples."

The head of the Russian foreign policy department had a serious professional difficulty — notably with the timing of his address. On the same day, New York hosted a meeting between representatives of Serbia, Croatia, and Bosnia. It would have been somehow inappropriate to talk about the pointless brutality of the United Nations and NATO. After all, Slobodan Milosevic is more clearly aware of what the Serbs want, and Milosevic was there. But the president of Serbia was saying nothing about the genocide of the Serbs perhaps in order to corroborate the correct stance of his orthodox allies.

As one of the leaders of the contact group on the former Yugoslavia, Andrey Kozyrev of course knew at the time of his speech that leading diplomats from the three warring Balkan countries are close to reaching agreement on preserving the unity of Bosnia and the consolidation of territories by various religious communities, as well as holding free elections under international monitoring.

Even a professional diplomat must find it hard to call this a failure after three years of bloody war, and, therefore, when talking about Bosnia, the minister spoke not so much about peace in this country, as about Russia's "Bosnian" complaints: Its advice was not sought; it was not informed; and double standards were applied.

Kozyrev also said that the UN Security Council's work is also made harder by the fact that the concept of security has changed — the main threat to states is now coming not from without, but from within themselves — these are the consequences of major financial and economic crises, technogenic catastrophes, international terrorism, drug smuggling, and a great deal besides.

Our minister's assurances to the effect that "new democratic Russia will not retreat from the choice in favor of implementing its national-state interests not via confrontation or diktat, but via partnership based on equal rights as befits its role as a great power and its responsibility as permanent member of the Security Council" sounded very convincing.

It is possible that this statement would have made an even deeper impression if, a few days earlier, Defense Minister Pavel Grachev had not ruled out the possibility of Russian troops performing peacekeeping service in the former Yugoslavia under NATO command. Since the United Nations, not without Russia's knowledge, has entrusted a number of command functions in Bosnia specifically to NATO, this brings into question the professionalism which Boris Yeltsin found lacking in his foreign minister, but not in the defense minister.

In Washington President Clinton expressed his approval for the decision on Bosnia. His main Balkan specialist, Richard Holbrooke, is going to the Balkans again on Thursday. On that day the Russian minister will visit Washington to attend the signing of another long-awaited document — the agreement on Palestinian autonomy.

This will most likely happen in the same place where the solemn ceremony of the first handshake between two previously irreconcilable foes — Israeli Premier Yitzhak Rabin and PLO Chairman Yasir 'Arafat — took

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

place two years ago. The sides have moved forward significantly during these years, while our delegate has become even more of a token figure.

Calls For Nuclear Test Ban

MM2809101995 Moscow KRASNAYA ZVEZDA in Russian 28 Sep 95 p 3

[ITAR-TASS report: "Sanctions Should Not Be Tool of Revenge. Russian Foreign Minister Has Addressed United Nations"]

[FBIS Translated Text] At the general political debate in the UN General Assembly Andrey Kozyrev said in particular: "Russia links its national and state interests with equal partnership in a multipolar and mutually dependent world. The Russian view of the prospects and difficulties of setting up such a partnership will be set forth at the UN General Assembly by Russian Federation President B. Yeltsin. We regard as a priority the speediest completion of work, no later than 1996, on a treaty on an all-embracing ban on nuclear tests. Russia is calling for a moratorium on nuclear tests to be made universal and of indefinite duration. The meeting of the 'Big Eight' on the problem of nuclear security approved in Halifax and to be convened in Moscow next spring at the Russian president's initiative is designed to make an important contribution to global stability.

"The jubilee nature of our session obliges us not only to pay tribute to achievements, but also to acknowledge that much still has to be done to enhance the effectiveness of the UN Security Council's work. Above all the partnership of the Security Council members, especially the permanent members, is in need of improvement. Attempts to monopolize the solution of international problems by one state or group of states and to gamble not so much on the consolidation of the United Nations as on military alliances could be dangerous to the integrity of peace and the work of the Security Council.

"We believe it is essential to carry out in the UN Security Council an in-depth analysis of the question of improving peacekeeping and sanction mechanisms. The main thing is that decisions on these measures and their implementation should be seen by the international community as not giving rise to suspicions of 'double standards.' Neither sanctions nor peacekeeping operations should become a tool to take revenge on or to punish entire peoples."

Holds Talks With French Counterpart

LD2709232395 Moscow ITAR-TASS World Service in Russian 2244 GMT 27 Sep 95

[By ITAR-TASS special correspondent]

[FBIS Translated Text] New York, 28 Sep (ITAR-TASS) — The visit to France by Russian President Boris Yeltsin was a focal point of discussion during the conversation on Wednesday between Russian Foreign Minister Andrey Kozyrev and French Foreign Minister Herve de Charette.

Besides this issue there was also a detailed discussion of problems relating to Russia's admission to the Council of Europe. During the conversation, which was held behind closed doors, the French side "agreed with the view that the resolution of this matter had been unjustifiably protracted."

The ITAR-TASS correspondent was told this by one of the official representatives who took part in the conversation but asked that his name not be mentioned in the press. According to the representative, Minister de Charette stated that France "will take certain steps within the European Union to help to get this issue moving."

The situation in Bosnia, problems of European politics, and bilateral relations between Russia and France were also discussed during the meeting.

Yeltsin, Clinton Discuss Bosnia, Upcoming Summit

LD2709182095 Moscow ITAR-TASS in English 1757 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, September 27 (Itar-Tass) — Russian President Boris Yeltsin had a telephone conversation with U.S. President Bill Clinton on Wednesday to discuss a wide range of issues varying from their upcoming meeting in New York to the need to lift sanctions on Yugoslavia.

Yeltsin, who is currently vacationing in Sochi, and Clinton exchanged on the agenda of their planned meeting. The Russian leader stressed that at this meeting "along with problems of Bosnian settlement, flank limitations, European security and a summit meeting of the 'eight' in Moscow next April, he intends to touch upon such a critical issue to Russia as NATO's expansion," the presidential press service said.

Speaking about issues related to the Conventional Forces in Europe treaty, the U.S. president pointed out that Russia's interests will be taken into account and a solution will be found to satisfy all concerned sides.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Official on 'Tense' NATO Relations, Enlargement Issue

LD2709195395 Moscow INTERFAX in English 1906 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (Interfax) — Moscow is thoroughly analyzing the draft document on the political framework for NATO-Russia relations that was given to Russian officials in Brussels Tuesday, a highly placed Russian Foreign Ministry official told Interfax Wednesday.

The official said that Russia will make a decision on the draft in the context of NATO enlargement plans and Bosnian operations.

He recalled that the research findings on NATO enlargement are scheduled to be presented to the countries involved in the Partnership for Peace program, notably Russia, in Brussels on September 28.

The official said that it was a mere coincidence that the Political Framework was issued at a time when criticism of NATO is gaining momentum in Russia.

The document has been in preparation since the Noordwijk NATO Council session last summer, which decided that the principles of the long-term political relations with Russia have to be worked out before December, the official said.

He emphasized that the Russia-NATO relations are tense now and said it is difficult to predict how they will develop.

Military Not Satisfied With NATO Proposals on CFE

LD2709192595 Moscow INTERFAX in English 1807 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (Interfax) — The NATO proposals on the revision of the map of flank limitations set for Russia by the Conventional Forces in Europe Treaty [CFE] "does not fully take into account the country's security interests," a high-ranking Russian Defense Ministry official told Interfax Wednesday.

He said that Moscow cannot agree to the limitations on its southern (North Caucasus) flank because the situation remains unstable there.

In this connection, Russia proposed to NATO that "a special regime of CFE implementation" be introduced in the Caucasus, i.e. that the region be excluded from the treaty's scope, said the source.

He said the measure is necessary first of all because of the continuing conflict in Chechnya. "We are prepared to grant free access to this region to various commissions for international inspection," he said.

The Defense Ministry official stressed that Russia does not exceed the total amount of weapons established by CFE. "In particular, we have less tanks than the treaty provides for," he said. (Under the CFE Russia can have up to 6,400 tanks in its European area — IF Note).

Our needs exceed the limitations set by CFE only on the southern flank, said the source.

He said Russia will soon put forward additional proposals as to the revision of the flank limitations map, which would reflect Russia's security interests. He also expressed the hope that "the outlining rapprochement on the issue between Russia and NATO will for a mutually acceptable variant." [sentence as received]

NATO members presented their proposals as to the revision of the flank limitations map in Vienna on September 22 at the session of the CFE Joint Consultative Group.

The proposals provide for the exclusion of the Volgograd, and Astrakhan regions in the south as well as the Pskov, Novgorod and Vologda regions in the north from the list of flank regions subject to quotas on conventional arms.

Official on NATO's 'Positive Step' in CFE Initiative

LD2709142895 Moscow INTERFAX in English 1322 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (Interfax) — Russia's Deputy Foreign Minister Nikolay Afanasyevskiy described as a positive step NATO's proposals on redrawing the "map of flank limitations" for Russia set forth in the CFE treaty.

However, he told Interfax Wednesday that "it is still too early to say whether these proposals are sufficient for solving the problem of flank limitations for Russia."

To quote Afanasyevskiy, Russia is analyzing the NATO initiative and is conducting talks in Vienna with its western CFE partners on the issue.

He stated that Moscow will never accept NATO's eastward expansion plans in exchange for reviewing the flank limitation quotas in favor of Russia.

"Bargaining is out of place here," he said.

NATO handed Russia proposals on redrawing the map of flank limitations in Vienna on September 22 during a meeting of the Joint Consultative Group of the CFE member-states.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

As reported earlier, Russia insisted on reviewing its flank limitation quotas for a number of years, referring to the geopolitical changes which have taken place in the world since the conclusion of the treaty in November 1990.

Western information agencies report that according to NATO's new initiatives, the southern Volgograd and Astrakhan regions and the northern Pskov, Novgorod and Vologda regions are excluded from the flank regions to which quantitative conventional-weapons quotas are applied.

In exchange for this, NATO would like Russia to become more open for international inspectors and to provide ample information about the observance of the CFE treaty.

Duma Delegation Concludes Visit to Yugoslavia

Rybkin Interviewed on Return

LD2709225495 Moscow Russian Public Television First Channel Network in Russian 2110 GMT 27 Sep 95

[From the "Novosti" newscast]

[FBIS Translated Text] Today a State Duma delegation returned to Moscow. It was on an official visit to Yugoslavia. During their two-day trip they held talks with the leaders of the Federal Republic of Yugoslavia, Serbia, Herzegovina, and the Serb Republic. Parliament speaker Ivan Rybkin gave an exclusive interview to the night issue of Novosti on the results of this visit.

[Begin Rybkin recording] The voice of the State Duma is being heard in the Balkans. When the Duma was adopting a law on rendering humanitarian aid to the Federal Republic of Yugoslavia, and when the Duma proposed that the president presents in the form of a law the unilateral lifting of economic sanctions against the Federal Republic of Yugoslavia, we were heard.

Of course, we understand that the hasty decision by the Security Council which was adopted and in which our diplomats proved to be, let's be honest, inexpert, was an indefinite one — I mean the introduction of the sanctions. It is easy to impose these sanctions, but it will be very difficult to go back on them. A total of $200 billion were lost by the Federal Republic of Yugoslavia, Russia, and other countries. It is a very high price and an unaffordable luxury for us with life the way it is in our country. I would like to say that it is probable and very likely — and analysts show this — that our losses comprise a good quarter of this $200 billion.

We have agreed — without waiting for the Security Council to adopt a decision on lifting sanctions — to join in the elaboration of a legal normative basis for our trade, economic, and cultural cooperation. If tomorrow, by a common decision, a joint, consolidated decision by all the member-countries of the Security Council — a decision can be adopted only in this way — the sanctions are lifted, we have a ready-made package of agreements at government level, and a proper legal basis set out for it. They are proposing, let's say, for fuel oil and gas which can be supplied by the common consent of the whole of the commission for the sanctions — they are ready to pay in what? In hard strong wheat, in kind, by barter. They are prepared to deliver 3 million tonnes to us. Incidentally, the price for these celebrated kinds of Yugoslav wheat for Russia will be in fact half the price of wheat from Canada, America and other countries. Is it profitable? Of course, I believe it is profitable. Not everywhere in the world is a Russian now expected and met like this. I want to say it frankly. [end recording]

Opposes Unilateral Lifting of Sanctions

LD2709193095 Moscow NTV in Russian 1600 GMT 27 Sep 95

[FBIS Translated Text] The State Duma delegation headed by Ivan Rybkin flew in from Belgrade at 0400 this morning. Despite his weariness, Rybkin agreed to share with us his impressions of his trip. He declared that the sanctions against Belgrade no longer have any sense and should be lifted as soon as possible. At the same time, the Duma speaker voiced doubts about lifting sanctions unilaterally, which will undoubtedly irritate many deputies.

[Begin recording] [Unidentified correspondent] The Duma is constantly calling for us to lift sanctions unilaterally. How will this be done in practice?

[Rybkin] I think, essentially, that this cannot be done. I would not like our decision to be taken out of context: We adopted the decision to lift sanctions against the FRY when the U.S. Congress adopted a like decision to lift sanctions against the Croat-Muslim side. President Clinton reflected on whether to approve the bill or to veto it. And we gave our president the opportunity to maneuver; we put a similar document on the table. When President Clinton vetoed such a feeble legislative impulse on the part of our colleagues in the U.S. Congress, our president did exactly the same.

I think our responses should in many respects be symmetrical. If the time comes to lift sanctions, we — that is, the U.S. Congress, the State Duma, and the Federation Council — should make this decision and should recommend the Security Council at a certain stage to lift these sanctions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Correspondent] For the moment, as Ivan Rybkin put it, the world community's opinion must be respected. [end recording]

Delegation Denounces NATO 'Interference'

LD2709142395 Moscow INTERFAX in English 1322 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (Interfax) — The Duma delegation headed by Speaker Ivan Rybkin and heads of the Union Republic of Yugoslavia, Serbia and Montenegro have denounced NATO bombing of territory of the Serb Republic, and demanded immediate termination of combat operations of Croat and Muslim troops and NATO interference in the Balkan crisis, says a statement of the Duma press service on the results of the Yugoslav visit of the Duma delegation in September 24-26.

The sides voiced the need for the peaceful settlement of the Balkan crisis with due account of interests of all parties to the conflict, and the soonest lift of sanctions against Yugoslavia, which have become politically senseless.

The Yugoslav side stressed the significance of Russian support in the search for political settlement ways, including constructive actions of Duma deputies, says the statement.

Yugoslav President Slobodan Milosevic insistently requested further Russian humanitarian aid, including regular supplies of gas, which is necessary for the central heating of facilities where refugees are accommodated. According to the statement of the Duma press service, there are over 700,000 refugees in Yugoslavia.

He also requested to supply 5,000 tonnes of diesel fuel and the same amount of fue' oil.

President of the Serb Republic Radovan Karadzic confirmed the striving of Bosnian Serbs for peaceful settlement within the framework of multilateral agreements, says the document.

Team Demands End to Yugoslavia Sanctions

MM2809085195 Moscow ROSSIYSKAYA GAZETA in Russian 28 Sep 95 p 7

[Unattributed report: "Political Support"]

[FBIS Translated Text] An official Russian Federation State Duma delegation led by Russian State Duma Chairman I.P. Rybkin visited the Federal Republic of Yugoslavia [FRY] 24-26 September this year.

A State Duma press service statement says that during the visit they had meetings and conversations with leaders of the FRY, the Republic of Serbia, and the Republic of Montenegro during which the sides stressed the need for the peaceful settlement of the Balkan crisis, mindful of the interests of all parties involved in the conflict. Reference was made to the need to abandon the policy of double standards. It was emphasized that the sanctions against the FRY, which have lost all political significance in the course of events, must be lifted as soon as possible.

The sides condemned the NATO aerial bombings which have caused such tremendous devastation and civilian casualties in the Republic of Serbia and demanded the immediate cessation of military operations by the Croat and Muslim Armed Forces and an end to NATO interference in the Balkan crisis.

They discussed the prospects for the full restoration of trade, economic, and cultural ties between Russia and the Republics of Serbia and Montenegro, as well as at FRY level.

The Yugoslav side particularly stressed the importance of Russian support in the quest for political solutions to the crisis, in particular the constructive nature of the Russian State Duma deputies' decisions and actions. It was pointed out that the emergence and development of the Balkan crisis is not only causing suffering for the peoples of the republics embroiled in it but also poses a danger to peace in Europe as a whole.

FRY President S. Milosevic insistently asked for the continuation of Russian humanitarian aid, particularly regular shipments of natural gas, which is very important given the highly complex economic situation that has taken shape in the country, notably in connection with the presence of over 700,000 refugees. Gas is essential for fertilizer production and also to heat schools, hospitals, and buildings in the camps where the refugees are being housed.

Daily: Bosnia Agreement 'By No Means' Breakthrough

MM2809090895 Moscow SOVETSKAYA ROSSIYA in Russian 28 Sep 95 p 3

[Article by Yevgeniy Popov under the general headline: "United States and NATO Steal Victory From the Serbs. 'Bloody Peace' Scenario"]

[FBIS Translated Text] President Clinton called the agreement reached in New York on the basic principles of the constitutional structure of the Bosnian state a "breakthrough" in a peaceful settlement in the Balkans. The document was commented on in a similar spirit by Secretary of State Christopher and Russian Foreign Minister Kozyrev at a joint press conference. But what kind of peace agreement is it if after its signing

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

hostilities not only continue, but enter a new and quite probably even more cruel phase?

By interfering in the military conflict on the Muslim-Croat side, the United States has, to put it bluntly, stolen from the Serbs victory, at the price of great losses, in the fight for freedom and independence and handed it to their enemies. The Western press is not concealing its exultation at this. The latest edition of the British weekly THE OBSERVER had the following banner headlines: "Victorious Bosnian and Croat Troops Reshape Balkan Map" and "Retreating Serb Army Abandons Huge Territories." Robert Fisk, a correspondent of the London newspaper THE INDEPENDENT, cites the testimonies of Serb refugees concerning brutal reprisals by the looters of the stolen victory. Here is one episode: "A soldier with a black headband looked at Bojan Milos and bayoneted him. Bojan, wheezing, fell on his back. The soldier took his watch and started shooting at the other refugees on the tractors, killing six of them." And here is what (and how!) Rod Nordland, a correspondent of the U.S. NEWSWEEK reports from the combat area in the 2 October issue: "The stretch of highway E-761 from the city of Bihac to the city of Kljuc is littered with bodies: seven sheep, two pigs, three cows, and at least 21 Serbs."

The Pentagon and the NATO headquarters have carried out an analysis of the shooting on the Bosnian military test range and are very satisfied with the results. U.S. Deputy Defense Secretary John White claims that the accuracy with which Serb targets were hit was far higher than during the "Desert Storm" operation against Iraq. True, the Serb Republic Army rather spoilt these triumphal accounts: Forced to retreat, bleeding profusely, and deprived of a significant proportion of its combat arsenal as a result of the NATO air strikes, it nevertheless shot down a French "Mirage" fighter-bomber and two U.S. reconnaissance aircraft crammed with ultr odern Japanese electronics. Furthermore, three quite intact "Tomahawk" cruise missiles found their way into the Serbs' hands, and now the Pentagon is worried that they may find their way to Russian military specialists.

Never before in the entire period of the Bosnian conflict has the Serb Republic found itself in such a desperate position as now. And there is nothing left for it to do but to defend itself with its remaining energy because the Muslim and Croat troops, through their offensive on the battlefield, would like to reshape the map of Bosnia and Herzegovina on terms even more favorable to themselves than those which the international contact group has offered them. The Sarajevo authorities are in such a frenzy that they have started using the language of ultimatums not only toward Belgrade and Pale, demanding, for example, the surrender of Banja Luka, but also toward the "peacekeepers" from the UN forces themselves. Until the very last moment, Izetbegovic refused even to let his delegation participate in the New York talks, putting forward conditions that were humiliating even to Washington, which had given certain guarantees to Milosevic during his talks with the U.S. President's representative, Holbrooke. The Sarajevo authorities are now demanding from the White House "guarantees that the Serb Republic will not withdraw from Bosnia and Herzegovina and join Yugoslavia."

Obviously the international community could rein in the Muslim-Croat coalition, put it in its place, and force it to stop the offensive, which is undermining the peace agreements already reached, but instead the UN representatives are continuing to threaten... the Serbs! They are warning them that NATO bombardments may be resumed if the Muslim-Croat coalition is emphatically rebuffed, for example, in the event of a Serb counteroffensive in the area of the Gorazde enclave.

According to the latest reports, the Serb Republic Army has conducted a successful counteroffensive in northwest Bosnia. Muslim troops have suffered heavy losses in battles at Sanski Most.

As for the "bloody peace" scenario proposed by the White Hose on the basis of the "strike and negotiate" plan, the latest agreements in New York are by no means a "breakthrough to peace." Political scientist Professor Maynard Glitman of Vermont State University, made a significant admission in the U.S. government information Agency USIA bulletin 22 September of this year: "You cannot force people to like each other by means of bombs... in fact the opposite happens, as the Krajina Serbs recently demonstrated, preferring to leave rather than live within a state in which the dominant role is played by other Yugoslav ethnic and religious groups, particularly after the bloodshed began."

Alas, the bloody Bosnian knot has not been untied in New York. On the contrary, this knot is being pulled tighter and tighter....

Chernomyrdin Pays Official Visit to South Korea

Meets ROK President, Prime Minister

LD2809054195 Moscow ITAR-TASS World Service in Russian 0441 GMT 28 Sep 95

[By ITAR-TASS special correspondents Nikolay Geronin and Gennadiy Yezhov]

[FBIS Translated Text] Seoul, 28 Sep (ITAR-TASS) — Viktor Chernomyrdin, chairman of the government of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Russian Federation, met Republic of Korea President Kim Yong-sam today. Their conversation dealt mainly with economic relations between the two countries. They looked at economic problems in general and specific issues concerning cooperation between Russia and South Korea.

Kim Yong-sam showed great interest in matters linked to the Republic of Korea's relations with the Russian Federation and knowledge of problems concerning Russia. Bilateral relations were discussed with a view to finding new directions in them. This regards investments in the Russian economy in particular.

President Kim Yong-sam passed on an invitation to President of Russia Boris Yeltsin to make an official visit to the Republic of Korea.

Talks between Viktor Chernomyrdin and Yi Hong-ku, prime minister of the Republic of Korea, also took place today. Addressing the head of the Russian Government, Yi Hong-ku said: "I cordially welcome Government Chairman Viktor Chernomyrdin — the first Russian prime minister to visit the Republic of Korea. The visit of the head of the Russian Government coincides with an important date — the fifth anniversary of the establishment of diplomatic links between Moscow and Seoul. At the same time, our two countries have a rich history of contacts."

Viktor Chernomyrdin and Yi Hong-ku signed a Declaration on Aiding the Development of Commercial, Economic, and Scientific and Technical Cooperation between the Government of the Russian Federation and the Government of the Republic of Korea. The document records the intention of the two countries to expand and deepen cooperation in these areas based on the principles of equality and mutual advantage "with the aim of moving further toward a constructive, mutually complementary partnership and the aspiration of flourishing together on the way to the 21st Century." The governments of both countries will pay "particular attention to and render all appropriate assistance" to the implementation of such major projects as the development of the Irkutsk gas field, the development of the gas field in the Republic of Sakha (Yakutia), and the laying of a gas pipeline to the Republic of Korea, the creation of a Korean technology park in the Nakhodka free economic zone, and the construction of a Korean trade center in Moscow.

Says DPRK Treaty Will Not Be Extended

LD2809124395 Moscow ITAR-TASS in English 1206 GMT 28 Sep 95

[By Nikolay Geronin and Gennadiy Yezhov]

[FBIS Transcribed Text] Seoul, September 28 (ITAR-TASS) — Russia will not extend a treaty on friendship, cooperation and mutual assistance with North Korea which expires next year, said Chairman of the Russian Government Viktor Chernomyrdin at a news conference held in Seoul today. The treaty, signed in 1961, envisaged mutual assistance in the event of aggression against countries - parties to this treaty.

"The treaty in its present form does not satisfy us and next year we shall decide what kind of a treaty should connect Russia and North Korea," Chernomyrdin said.

Chernomyrdin pointed out that a project was being considered for the reconstruction of around 70 enterprises built in North Korea with the assistance of the Soviet Union. Taking part in the reconstruction will be Russian, North Korean and South Korea engineers and construction workers,

Addresses ROK Businessmen

LD2809130595 Moscow ITAR-TASS in English 1101 GMT 28 Sep 95

[By Nikolay Geronin and Gennadiy Yezhov]

[FBIS Transcribed Text] Seoul, September 28 (ITAR-TASS) — Russia is interested in implementing major joint projects with the Republic of Korea in developing raw materials deposits, including production and transportation of Russian gas, Russian Premier Viktor Chernomyrdin said at a meeting with South Korean businessmen in Seoul on Thursday.

He meant the development of gas deposits in the Sakha Republic (Yakutia) and the Irkutsk region. The two projects, with a total value of over 40 billion U.S. dollars, provide for construction of gas pipelines which will cross neighbouring states — China, Mongolia and North Korea.

Chernomyrdin stressed that the implementation of the Yakut projects was taken under personal control by Presidents Boris Yeltsin and Kim Young-sam.

Apart from natural gas, the Russian premier said, the development of coal deposits in Buryatia and Yakutia with subsequent deliveries of coal to South Korea on a long-term basis is also a very promising joint project.

Among other major projects, the Russian cabinet head pointed to creation of a Korean industrial estate in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Nakhodka free economic zone (Russian Far East) and construction of a Korean business centre in Moscow.

A planned volume of investments in each project is also big enough — 400-500 million dollars.

"We are ready to support several projects presupposing the establishment of production facilities to assemble South Korean cars, buses and trolleybuses in Russia in the near future. They will be subsequently sold on the Russian and European markets.

Chernomyrdin assured South Korean businessmen that Moscow intends to exert efforts to improve legislation regulating procedure of implementing foreign investments in the Russian economy.

According to the cabinet head, some important tax and customs privileges for foreign investors are in operation even now.

In the prime minister's opinion, the present volume of South Korean investments in the Russian economy (33 projects worth 27.3 million dollars) is far from adequate to mutual possibilities and requirements.

Much attention was given to this issue at the talks with South Korean President Kim Young-sam and Prime Minister Lee Hong-koo, Chernomyrdin noted.

Proposes Tripartite Ties With Koreas

LD2809125695 Moscow INTERFAX in English 1053 GMT 28 Sep 95

[FBIS Transcribed Text] SEOUL, Sept 28 (Interfax) — Russian Prime Minister Viktor Chernomyrdin has proposed "to think about a three-partite model of cooperation between Russia, South Korea and North Korea. He made this statement in Seoul on Thursday at the meeting with representatives of South Korean business community.

"It could be possible to think about a three-partite economic cooperation between Russia, South Korea and North Korea. We could use the production capacities we created in North Korea, North Korean work force, the Russian market and the South Korean "know-how," he said.

Speaking about the development of trade and economic relations between Russia and South Korea, Chernomyrdin said that "every year our trade turnover increases by one third and this year it has amounted to $3 billion. At the same time, the prime minister said that the current amount of South Korean investments into the Russian economy (around $40 million) is "far from adequate to mutual possibilities and requirements."

According to him, "much attention was paid to this issue during his talks with South Korean President Kim Yong-sam and Prime Minister Yi Hong-ku. "We said that the Russian side will add efforts to improve the legal basis regulating foreign, including Korean investments." Chernomyrdin has noted Russia's particular interest in the fulfillment investment projects in the raw materials sphere, including the Irkutsk and Yakutsk gas projects both estimated at around $40 billion.

The Russian prime minister also said about his preparedness to back the projects to create in Russia enterprises for assembling South Korean models of buses and cars which could be sold at the Russian and European markets.

Official Describes Expanded ROK Military Cooperation

LD2809093695 Moscow ITAR-TASS in English 0858 GMT 28 Sep 95

[By Anatoliy Yurkin: "Russia, South Korea To Expand Military Cooperation" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW September 28 (Itar-Tass) — Russian armaments will turn South Korea into a mighty power in the Asia-Pacific Region, Aleksey Kudryashev, deputy head of the press service of the state-owned company Rosvooruzheniye, told Tass in an exclusive interview today. According to Kudryashev, aside from the deliveries of most up-to-date weapons, including T-80Y tanks and BMP-3 armoured personnel carriers, Russia started active cooperation with the Republic of Korea in the sphere of research and development studies

"Our highly developed industrial countries have an enormous potential in the development of technologies of the 21st century and can offer on the world market of armaments high-technology joint products, which could be a kind of a symbol of international military-technical cooperation, aimed at strengthening world and regional security," Kudryashev said.

Some research and development studies are being conducted within the framework of Rosvooruzheniye contracts, including the development of an antenna structure for radar systems and the study of power units of submarines, he continued. Proposals of the Korean side on the rendering of technical assistance in the designing of a mobile anti-aircraft missile complex on the basis of the Russia complex Igla are being examined.

"Cooperation projects in the development of weapon systems to protect a country against non-strategic ballistic missiles, the production of medium-range anti-aircraft missile complexes and modified radar systems are also of mutual interest. Aside from it,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Rosvooruzheniye is ready to provide consulting services on the upgrading of the loading mechanism of the 155-mm self-propelled gun of Korean production," Kudryashev stressed.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Political Issues

Yeltsin Assistant Accuses Duma of 'Unprofessionalism'

MK2809080195 Moscow KOMMERSANT-DAILY in Russian 26 Sep 95 p 3

[Unattributed POSTFACTUM report: "The President's Representative Has Accused the Duma of Unprofessionalism"]

[FBIS Translated Text] Addressing yesterday's session of the Joint Commission on the Coordination of the Legislative Activity of the Russian Federation President, Government, and Parliament, Duma First Deputy Speaker Mikhail Mityukov said that in its past three sessions the State Duma adopted 328 laws. However, because parliament, in the deputy speaker's opinion, often went beyond the framework of the constitution and international legal norms, the president vetoed one of every three or four bills. Presidential representative Valeriy Savitskiy, on the other hand, said the statement that the Duma has adopted more than 300 laws did not adequately reflect reality. In his opinion, over the entire period of its activity the State Duma has adopted only 25 "comprehensive laws," while the rest were in effect only amendments to already existing ones. "The whole trouble lies in the parliament's unprofessionalism," Savitskiy said, noting that the same danger awaits a new Duma because "there are too many actors and too few lawyers" on the lists of candidates.

Yeltsin Said To Offer Rybkin Ministerial Post

LD2709231895 Moscow INTERFAX in English 2307 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — A well-informed source close to Ivan Rybkin told INTERFAX today that President Boris Yeltsin had discussed the formation of the future cabinet of ministers with State Duma Chairman Ivan Rybkin during their recent joint vacation in Sochi.

The source said Yeltsin had considered "the issue of Rybkin's possible appointment either as the deputy prime minister in charge of foreign policy or as the foreign minister." The source said "the issue of the creation of the State Council" had also been discussed. The source said the State Council would be above the presidential administration. "Rybkin was also proposed to head this new structure," the same source said.

"However, Rybkin turned down all these proposals because he already occupies a serious position among the Russian political elite and counts for a more serious place in the future," the source said.

According to the same source, "Rybkin expects to become either the future State Duma's speaker or the prime minister of the new government."

The source denied some media allegations about Yeltsin's becoming closer to leader of the Congress of Russian Communities Yuriy Skokov.

The source said he believed that "Yeltsin's orientation to Rybkin" was obvious as "Yeltsin had an opportunity to see that Rybkin is not corrupted."

INTERFAX asked the Russian president's first aide Viktor Ilyushin, who is in Sochi together with President Yeltsin, to comment on this report.

After receiving such a request from INTERFAX, Ilyushin discussed this report with Boris Yeltsin and told an INTERFAX correspondent afterwards that "the president did not confirm" the report.

Referring to his talk with Yeltsin, Ilyushin said the president regretted that "at the early stage of the election campaign" its actors "engage in misinformation."

Ilyushin said he doubted that Rybkin had something to do with the spreading of such information.

"In Sochi, the president attentively follows the development of the election campaign," Ilyushin said. He said Yeltsin had not changed his stand regarding political parties and blocs which he made known at the September 8 news conference in Moscow.

Yeltsin Edict Allows More Investment Resources

MK2809080095 Moscow KOMMERSANT-DAILY in Russian 26 Sep 95 p 5

[Unattributed POSTFACTUM report: "President Permits Issue of Additional 'YeES Rossii' Shares"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin has issued an edict permitting "YeES Rossii [Single Power System of Russia]," a joint-stock energy and electrification company, to issue additional shares worth the sum by which it increases its ownership capital owing to the reevaluation of its own fixed assets. As the president's press service said today, the document was issued to create additional investment resources for the development of the Single Power System of Russia.

Chernomyrdin Accused of Political Corruption

MM2709133295 Moscow PRAVDA-5 in Russian 22-29 Sep 95 p 4

[Article by Sergey Pykhtin, cochairman of the "Union for the Rebirth of Russia:" "At the Moment It Is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

'Gazprom Is Our Home.' It Will Have Another Name Later"]

[FBIS Translated Text] In order to keep your seat on the slippery summit of the political Olympus there is no need at all to have many qualities in your arsenal, but being unprincipled on principle is a quality you absolutely must have.

Those who did not take this on board sooner or later ended up amid the motley crew on the periphery. There you will find the ardent Ponomarev, the violent Anpilov. and the mysterious and scary Barkashov. On the other hand Volskiy, Chubays, and Rybkin are evidently well insured against this misfortune, since they have mastered the recipes of our political kitchen. But they are still lagging well behind Viktor Stepanovich — our stabilizer and peacemaker.

One has not forgotten Mr. Chernomyrdin in the first minutes of his premiership bowing to and thanking the people's deputies of the "bad" old Supreme Soviet and saying with a shaky voice: "I am in favor of the market, but against a bazaar."

On hearing this, the democrats were already making the funeral arrangements for Gaydar's "stabilization...." So what?

The country is as remote now from the goals of the macroeconomic experiment as it was at the beginning of 1992. There was no more consistent pupil of the Chicago school than the "Gazprom" apparatchik in the old-fashioned gray pants....

He has exercised a "regulating influence" on the economy only when needing to help his own joint-stock company or "in-laws" in the fuel and energy complex.

A peacemaker when political nature calls (to use V. Maksimov's expression, which is apt in this case), he was one of those chiefly responsible for the bloody fight in downtown Moscow in October 1993. But... he was amnestied together with the inmates of "Matrosskaya Tishina" and therefore has the same right as Rutskoy to set up his own political bloc for the elections.

Recent weeks have seen Mr. Chernomyrdin make some momentous entrances into high society, particularly at the Moscow Oblast conference of the "Russia Is Our Home" movement and at the "house burglars'" second all-Russia congress, which brought together the flower of federal officialdom.

The congress turned into a major bout of muscle-flexing by the party of power.

At the same time, all observers noted one not insignificant detail. The fuel and energy complex generals who graced the event with their presence on this occasion all refrained from participating in the discussion of election strategy.

The commentators remarked right away on the black cat that allegedly ran between Mr. Chernomyrdin and his "supporting" sectors. The writers of the next edition of "Itogi" went further in their hypotheses, linking this fact to the recent check on "Gazprom's" activities, carried out, it is claimed, at A. Korzhakov's insistence.

If this is the case, then we are on the brink of another major maneuver by Chernomyrdin, confirming the old saw: "A real politician does not have permanent friends, but he does have a permanent interest — power."

Is this not evidenced by the premier's cheerful statement that there are even more people than required wishing to be sponsors of "Our Home"? Was that not addressed to the "offended" bosses of the fuel and energy complex?

One thing at least is clear — public politics, which Viktor Stepanovich ultimately opted for, compels him to gradually distance himself from the "Gazprom" joint-stock company.

As it is, the premier needs to be reminded, if not to say accused, of certain things. The Western media have been busy working the attractive "Chernomyrdin-Gazprom-corruption" theme ever since "Our Home" came into existence.

For instance, S. Erlanger, Moscow correspondent of THE NEW YORK TIMES, said that "Chernomyrdin is a striking example of the striking manner in which big business has become intertwined with the state apparatus" and that in the space of three years Gazprom has become the world's biggest corporation; yet despite this, and unlike other firms which enjoy tax privileges, Gazprom owes its position to the "active support of Chernomyrdin," who claims, however, that there are no financial interests linking him to the privatized joint-stock company. "This," the American tartly observes, "is impossible to verify in a country where there is no law on obligatory financial accountability" (meaning top state officials — S. Pykhtin).

The premier has so far not sued THE NEW YORK TIMES.

Moreover, the U.S. journalist's conclusions are effectively confirmed by a number of pieces in Russian publications, both democratic and opposition.

And if the rumor that the premier's son is a major shareholder in the gas concern remains for the moment an unconfirmed rumor, there is a whole bunch of irrefutable evidence that during Chernomyrdin's premiership the interests of his company have invariably taken precedence over the interests of our state.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

For instance, one cannot help being bewildered by Ukraine's conduct toward its biggest and at the moment indispensable financial donor — Russia. Seeing what license the independent state is given, even a layman would start speculating about the "Moscow bosses'" stake in what is for us such a disadvantageous "friendship." The explanation is quite simple — 93 percent of Gazprom's products are exported via territory under Kiev's official jurisdiction. That is why the leaders from the Kreshchatyk find it so easy to get totally unwarranted concessions from Moscow, while Mr. Vyakhirev — who is not formally in power — determines the strategy of interstate relations between Russia and Ukraine.

Despite the undoubted political benefit of the further deepening of integration between Belarus and the Russian Federation, its economic aspects are by no means beyond question. But to the detriment of our economic interests this rapprochement has suddenly started to accelerate. The reason is clear — the need to accelerate the implementation of the major Gazprom project associated with the construction of the new export pipeline from Yamal to Europe. And as in the previous case, Russia is represented in Minsk more often than not by the ubiquitous Gazprom chief Rem Vyakhirev, rather than by the Foreign Ministry.

Incidentally, the trouble over the future gas pipeline sheds light on the real reason for the Russian Federation's incredible patience with Poland, where anti-Russian demonstrations are not merely ugly isolated instances but an established norm of political and public life. Remember the scandal over the beating up of our citizens by the Polish police? Who resolved it and how? Correct! Chernomyrdin the "pragmatist," during a visit which took place despite the lack of even a formal apology from the Polish side, let alone punishment of the culprits or damages for the victims. A very dangerous precedent in our bilateral relations evidently cannot compare with the prospects opening up for Gazprom in connection with the forthcoming "crossing of the Oder." Already 48 percent of the shares of the major Polish gas company Europol-Gaz and 33 percent of "Vingaz" [name as transliterated], one of the monopoly companies on the German fuel and energy market, belong to Mr. Chernomyrdin's favorite concern. The latter fact is also an answer to the question of where the tens of billions of dollars are going, and how.

Actually Gazprom's daughter structures, for example, the "Imperial" bank, whose interests the government actively lobbies for both in the country and abroad, are also party to the export of capital to the West and the East. Imperial, incidentally, is invariably among the "authorized agents," involved in "utilizing" treasury money, mainly large and very large amounts. It is the bank handling the money intended for clearing up the damage caused by the Sakhalin earthquake and "restoration" in Chechnya. (A KOMSOMOLSKAYA PRAVDA investigation indicates that in the first case the money did not get there on time and never reached those it was meant for, but that is another story). In this connection the question is: What kind of a threat would a break with Gazprom be for Chernomyrdin?

None, probably, judging by his recent actions. As for the premier's new favorites, the list of those aspiring to his love and administrative tutelage includes such Russian business giants as KAMAZ, GAZ, VAZ, and the "Olbi" concern. They are united by one very noteworthy fact — to some extent they have all encountered problems which clearly they will be unable to resolve unless... they reach into the ordinary taxpayer's pocket, that is, the state treasury.

Having before them the inspiring example of Gazprom, they are prepared, of course, to scratch around and pool their resources for the election campaign for the premier and his bloc.

What is attractive about the new sponsors to Chernomyrdin, the "public politician," is that they include such entities as Logovaz and Olbi, members of a consortium which, without anyone noticing it, under cover of the scandal of the Listyev murder, seized 49 percent of the shares in Russian Public Television.

What about Gazprom? Will it be orphaned? As MOSKOVSKIY KOMSOMOLETS told readers on 1 July 1995, last October Messrs. Korzhakov and Shafranik tried to "drag" the oil and gas complex out from under Chernomyrdin.

The writer of the piece, A. Budberg, "opened his heart" to such an extent that he began to betray the current regime's "main secrets" by stating that "in the 18 months since October 1993 Yeltsin has carried out a brilliant counterrevolution with regard to much of what was done during perestroyka. The old people are back in power, and they now have what they used to watch over." But you would have to be completely dense not to have figured that out....

Now imagine a totally deserted Garden Ring road with two armored limos racing along it with lights flashing. All the rest of the people, irrespective of rank or title, have been waved to the side of the road by vigilant custodians of law and order, diverted in massive numbers from their main duties for many hours (if not the entire working day). It is not a picture from the "stagnation" years. It is the leader of the new "people's" movement returning to his dacha from Krasnogorsk

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

after an emotional meeting with exultant masses of supporters.

They have their own morality. For "Russia Is Our Home," read "Russia Is Our Domain."

Chernomyrdin Vows No Inflation Upsurge This Fall

LD2809120095 Moscow ITAR-TASS in English 0851 GMT 28 Sep 95

[By Nikolay Geronin and Gennadiy Yezhov]

[FBIS Transcribed Text] SEOUL September 28 (ITAR-TASS) — Russian inflation will not soar in autumn as it used to do in the previous years of reforms and will not exceed 4.5 per cent in September, according to Russian Prime minister Viktor Chernomyrdin who promised to continue a tough financial policy.

The official inflation figure was 4.6 per cent in August and 5.6 per cent in July.

Chernomyrdin said at a meeting with South Korean businessmen on Thursday that for the first time since reforms began in 1992 the Russian economy "is entering the fourth quarter (of the year) without an increase in the rate of price growth" and that the gross domestic product has practically stabilised. There is no fall in the total volume of industrial production either.

The premier said it was planned to decrease the budget deficit in 1996 to 4 per cent compared to 5.6 per cent in 1995 and 11 per cent in 1994.

"We shall continue to follow the justified principles of the financial policy", Chernomyrdin promised.

Skokov Denies 'Rumors' on Replacing Chernomyrdin

LD2809103395 Moscow ITAR-TASS in English 0839 GMT 28 Sep 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW September 28 (ITAR-TASS) — Yuriy Skokov, the leader of the Congress of Russian Communities election bloc, denied rumours that he was planning to replace Prime Minister Viktor Chernomyrdin in case the latter's election bloc Our Home is Russia suffers a defeat at the upcoming parliamentary polls.

"I have not discussed with the President of Russia the issue of nomination for the post of the head of government of late", Skokov, a former Russian Security Council secretary, told Tass Thursday.

"The post of the premier is of no interest for me at present", he added, but refused to disclose whether the post may be of interest for him in future.

Skokov, who is known for his cautious statements and rare contacts with the press, said that after he resigned from the post of the Security Council secretary, he "agreed with the President of Russia about certain rules of conduct and the line of mutual relations."

According to some opinion polls, Skokov's election bloc which is also headed by maverick general Aleksandr Lebed, a foe of Defence minister Pavel Grachev, occupies a place among five most popular election movements together with Our Home is Russia.

Former Premier Ryzhkov Returns From Trip to China

LD2709185095 Moscow Voice of Russia World Service in English 1600 GMT 27 Sep 95

[FBIS Transcribed Text] The former Soviet prime minister, and now leader of the election bloc Power to the People, Nikolay Ryzhkov, returned to Moscow on Wednesday [27 September] after a trip to China. In Beijing he met with China's Prime Minister Li Peng, the deputy chairman of the All-China Assembly of People's Representatives' Standing Committee Wang Hanbin, and vice chairman of China's State Committee on Economic Reform, (Yu Se), to discuss the progress of the ongoing economic reform in China. Nikolay Ryzhkov also familiarized himself with the work done by the three economic zones in the cities of Shanghai and Xian.

Soskovets Signs Two Social Security Directives

LD2709121695 Moscow INTERFAX in English 1029 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — First Deputy Premier Oleg Soskovets has signed two directives designed to improve social security for retirees and servicemen.

The first document instructs the government to submit to the State Duma a draft law "On Measures to Ensure the Timely Payment of Pensions in the Fourth Quarter of 1995."

Deputy Premier Yuriy Yarov is appointed as the government's official representative at the Federal Assembly debates on the draft law.

As the other directive says, Russia's Finance Ministry is allowed to float among commercial banks on the basis of contest 1.3 trillion rubles worth of treasury notes issued in accordance with the present legislation to implement the president's decree of September 8, 1995 "On Urgent Measures to Supply the Servicemen of the Russian Federation with Food Products," and to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

cover the temporary gap between the expected federal expenditure and revenues.

Daily Views FSB Chief's Anticorruption Drive

MM2809111295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Sep 95 p 1

[Article by Afanasiy Brynochka: "Arrests Have Begun at Federal Security Bureau"]

[FBIS Translated Text] The new Federal Security Service [FSB] chief, Mikhail Barsukov, is continuing to purge his department increasingly vigorously and toughly. Thus several leaders of the FSB registration and archive funds directorate were arrested recently. It is obvious that they will be charged with the illegal solution of questions connected with travel abroad for personal reasons and with the unsanctioned transfer of information to certain people. The fact that Barsukov, like his predecessors, has declared an uncompromising struggle against corruption surprised no one but the fact that he has begun this struggle with "his own people" has given some people at the Lubyanka timid hopes while others are laughing sarcastically saying that "Soon the badger's teeth will break" ["barsuk" is the Russian word for badger]. We do not know if these predictions will come true but according to the information available to us in a number of his undertakings the new FSB chief has been able to enlist the support of the president, which today means quite a lot.

The second sensation is that Barsukov has been able to "extract" from Yeltsin an edict giving the FSB the functions of the Russian Federation's top counterintelligence organ. On the basis of this edict the FSB receives the right to engage in so-called counterintelligence backup for structures like the Internal Affairs Ministry, the Federal Government Communications and Information Agency, the State Customs Committee, the Tax Police Department, and others. Henceforth all their subdivisions for "ensuring their own security" will be created and operate only with the agreement of the FSB and their functions and potential are regulated only by the Lubyanka. In other words now it will be not the police themselves but the security service agents who will control the "purity of the ranks" of the police (and recruit agents, "work on" those suspected of various dirty deeds, and so forth). This system operated in the USSR under Andropov but later under pressure from the Internal Affairs Ministry leadership it was abandoned. In the next few days a special directorate "for servicing the Internal Affairs Ministry" will be created in the FSB and will also engage in the struggle against organized crime.

To all appearances the FSB intends to see through at least some of the scandalous cases involving corruption in the top echelons of power. Thus Trofimov, Barsukov's deputy and chief of the FSB directorate for Moscow and Moscow Oblast, is organizing work on the case of the notorious "Balkar-trading" in which relations of the leadership of the Russian Federation General Prosecutor's Office are involved. It is notable that 10 years ago Trofimov headed the third service of the Moscow KGB directorate which engaged in the struggle against corruption including in the organs of law and order. According to information from FSB sources over 20 high-ranking state officials and ministry and department leaders have already been questioned over the "Balkar-trading" case. In particular the investigators have had many questions to put to the present leadership of the Ministry of Foreign Economic relations, to the vice premiers in charge of this field, and also to A. Kruglikov, first deputy chief of the State Customs Committee, and his colleague V. Draganov. It is not out of the question that O. Soskovets and V. Chernomyrdin, who signed a number of unprecedented decrees on various benefits for "Balkar," will be questioned over the case. Information about the case is being reported almost daily to Sochi, including through A. Korzhakov, who is actively supporting his security service colleagues. So that according to some forecasts the FSB will hardly be satisfied with the heads of Ilyushenko and Uzbekov....

Constitutional Court To Receive More Funds in 1996

MK2609071495 Moscow SEGODNYA in Russian 20 Sep 95 p 2

[Report by Aleksey Kirpichnikov: "The President Ordered the Constitutional Court's Maintenance To Be Equal To That of the Government. In 1996, the Constitutional Court Will Get Almost 2.5 Times Richer"]

[FBIS Translated Text] The editorial board has received the text of a presidential edict, about which SEGODNYA reported on Saturday [16 September], citing ITAR-TASS. True, the document is not called "On Measures To Ensure Material Guarantees of Independence of Judges of the Russian Federation Constitutional Court," but "On the Maintenance of the Activity of the Russian Federation Constitutional Court." Therefore, it concerns not only judges, but other Constitutional Court [CC] staffers, too.

There is no sensational information in the text. Expenditures on the maintenance of the CC will be specified in the budget in a separate line, as in the 1995 budget. Of fundamental significance is the fact that the volume of these expenditures will be determined by the government, in coordination with the CC chairman, i.e., the latter can — if the Finance Ministry exhibits its characteristic stinginess — appeal directly to the premier.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

After the yearly maintenance amount is endorsed, its further distribution will be determined by the court itself, and the government is bound to take appropriate measures to provide funds within one week after the CC submits its expense estimate.

In conversation with your SEGODNYA correspondent, Petr Yevseyev, acting business manager of the CC, also emphasized other novelties. Court expenses will also include charges for judges' free use of VIP lounges at airports and railway stations. Travel expenses of court staffers will now be reimbursed, which, according to Mr. Yevseyev, will help those who are the least well paid at least to buy tickets at a discount. Judges and other CC staffers will be paid extra not only for their educational degree, as they are now, but also for speaking a foreign language and holding the "Honored Lawyer" title. Funds will be provided for accommodation, the use of special communication facilities, material assistance, allowances, etc.

A special item commissions the Presidential Directorate of Affairs to provide CC judges, staffers, and their families with medical and social care similar to that provided for members of the government and corresponding state servant categories.

Mr. Yevseyev said he was quite satisfied with this document: Until now, despite numerous decisions by the government and parliament, the CC has not been perceived as a federal power body of equal standing. The funding of its expenses by the Finance Ministry has been 90 percent of that envisioned in the 1995 budget; social care for staffers and even judges has been provided on a residual basis; cars are dilapidated and without gasoline; etc. Mr. Yevseyev hopes that the presidential edict will allow [the court] to attain equality with other power institutions not just on paper but in reality, and the acting business manager of the CC will have to spend less time walking around various agencies begging for help.

It should be noted that the signing of the edict by Boris Yeltsin has certainly been a success for the CC: There are no such documents regarding other main courts in the country, the Supreme Arbitration Court and the Supreme Court. On the whole, however, the entire judicial system has no reason to complain that the 1996 budget drafters — at least on paper — neglected it. The latest draft budget, dated last week, contains the following figures, compared with the 1995 budget: Whereas the total volume of expenditures has been raised by 67 percent, expenditures on the federal judicial system will rise by 84 percent. Of Russia's main courts, the largest increase will be for the Supreme Arbitration Court — 114 percent; the Supreme Court and the CC will be able to increase their spendings by 53 and 78 percent, respectively. In absolute figures, for the CC this will amount to 33 billion rubles [R], against R18.5 billion in 1995.

Some 25 percent of the above R18.5 billion should be covered by special-purpose budgetary funds. Mr. Yevseyev says, however, that not a penny has been received by the CC from these funds. Thus, the real funding of the CC this year (not even taking into account the Finance Ministry's monthly thriftiness) under the "Law-Enforcement Activity and Security Provision" [budget] item should stand at R13.8 billion. Since, however, the draft 1996 budget assigns all of the CC expenditures under this item, the court will actually be able to spend 139.2 percent, i.e., almost two and half times more money than this year.

Government Said To Fail on Rural Social Development

MM2709142095 Moscow ROSSIYSKIYE VESTI in Russian 27 Sep 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Social Policy. Countryside Remains an Outcast"]

[FBIS Translated Text] The Russian Government "has not carried out a single one of its programs for the social development of the countryside in 1990-1995." The Federation Council Committee for Agrarian Policy, which Monday [25 September] conducted a conference on questions of the social infrastructure of the agro-industrial complex, has come to this conclusion. According to the committee's figures, the commissioning of housing in the countryside has fallen by a factor of 2.7 during these years, 30 percent of the more than 2 million km of power supply networks have fallen into disrepair, and around 90 percent of all rural population centers have no centralized water supply. Over a period of 30 years "140,000 rural population centers have disappeared from the map of Russia; there are currently 160,000 left."

Conference Reports Progress of Legal Reform Moves

MM2609120295 Moscow ROSSIYSKIYE VESTI in Russian 26 Sep 95 p 1

[Unattributed report: "Conferences on Legal Reform Produce Specific Results"]

[FBIS Translated Text] Yesterday a conference took place at the Presidential Staff devoted to the progress made in fulfilling the president's instructions to various

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

legal structures regarding the implementation of a concept for legal reform in the Russian Federation.

It was pointed out that a considerable proportion of the president's instructions have already been or are being implemented. Thus, proposals by leaders of regions and scientific establishments have already been collected and summarized. They are now being analyzed by the State-Legal Administration. Requirements for legal cadres and for an increase in their qualifications have been discovered. Working groups have been formed for talks with investors regarding the enlistment of extrabudgetary funds to finance legal reform.

Instructions regarding the organization of a special legal television channel are being carried out. A great deal else has also been accomplished.

However, several major events, including the All-Russia Congress for Legal Reform, have been postponed until later.

The extensive conference due to take place in October will complete the preparatory stage in the formulation of a concept for legal reform.

Postponement of Regional Elections Questioned

MM2609103295 Moscow PRAVDA in Russian 23 Sep 95 p 1

[Article by Valentina Nikiforova: "The Closer the Elections, the More People Value Their Existence. Edict Flouts Law Again"]

[FBIS Translated Text] An edict signed by B. Yeltsin on 18 September says: "It is deemed necessary to hold elections in December 1997 for the Russian Federation component representative (legislative) organs of state power whose term of office... expires in 1995 and 1996."

Oh, these September edicts! Never mind the LAW [all caps as published] that the president has adopted and just signed regulating the formation of the legislature and local self-government whereby elections are to be held in spring 1996. Sensible leaders of republics, krays, and oblasts had decided to combine them with the State Duma elections, that is hold them 17 December. And they had, moreover, consulted the people in advance. Thus, A. Tuleyev, chairman of the Kemerovo Oblast Legislative Assembly, received 200,000 letters in which residents agreed to December elections.

It was harder to convince deputies, since their term of office ended in March 1996. But they were virtually unanimous in their support for combined December elections! They realized that this would enable a saving of eight billion rubles, which is no mere trifle for the oblast.

But this edict has canceled out both the law and the legislators' decision. It is as if the lesson of 1993 had not taken place. The Russian Federation Communist Party Central Committee adopted an appeal and the Communist faction in the State Duma held a news conference — in order to warn of the impending disaster. Deputy A. Lukyanov described the situation as follows:

"This edict is a direct extension of Edict No. 1400 which ushered in authoritarian rule."

While election blocs are fussing about seeking deputies' seats and confused voters are pondering whom to vote for this time, people from the president's entourage have been working "on the quiet." The day after the edict was signed Presidential Chief of Staff S. Filatov (is he really above the law?) convened the chairmen of the legislative assemblies and tried to sweet-talk them into agreeing to the postponement of the elections. The next day V. Shumeyko had a chat with them on the same subject. The crux of the matter was simple: Why is Tuleyev kicking up a rumpus? The president has extended his term by two years! He should be grateful! But Tuleyev is not grateful, since he took the working-class and peasant view of his destiny: "The miners will send me packing. They will say: You are not a deputy, your term has expired. Yeltsin appointed you — go and work with him!"

What is the solution? The solution lies in restoring true people's power. A. Lukyanov recalled that prior to perestroyka the Russian Federation had 1.5 million deputies, 68 percent of whom were workers and kolkhoz workers, and many could have given the current "political professionals" a head start. Yet now there are 600 times fewer people's representatives. How can an oblast with 3.5 million inhabitants have 35 deputies! There is effectively no authority in the cities and villages, and people have been cast to the whim of fate. Why is that, Deputy O. Shenkarev said. A woman went up to him and asked: "What am I to do? I feed my children bread twice a week since I have no money." And that is in the Chernobyl zone, where the best food is needed!

How are we to escape from disaster?

"Given the current policy there is no answer to that question," A. Lukyanov remarked. "The Communist faction intends to ask the Constitutional Court to see whether the edict accords with the Fundamental Law."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Media Issues

ROSSIYSKAYA FEDERATSIYA Becomes Government Organ

MM2709143895 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 27 Sep 95 p 1

[Unattributed report: "Chernomyrdin Founds a Magazine That Is Going to Survive the Government of Russia"]

[FBIS Translated Text] It so happens that Premier Viktor Chernomyrdin has acquired an unusual organ.

MOSKOVSKIY KOMSOMOLETS [MK] has has occasion to learn that, having tried this with ROSSIYSKAYA GAZETA, the Russian Government has decided to go over to contractual relations with its other semi-official organ, the magazine ROSSIYSKAYA FEDERATSIYA [RF].

A cabinet directive approved the magazine's new founding documents the other day. In line with established practice, the Russian Federation Government has undertaken to provide the chief editor of its publication and his deputies with "material, everyday conditions and medical services" to a standard corresponding to that for federal ministers and their deputies. Besides, the White House will subsidize the publication of the magazine in accordance with the editors' estimates.

RF, for its part, undertakes to be independent of political parties and "other public associations pursuing political goals," and also to publish, free of charge, in every issue, up to 24 pages of any material by its founder.

However, in their desire to make RF journalists their partners rather than "free loaders," the authorities have gone overboard a bit. The magazine's charter, which was passed by the meeting of its journalists and signed by Chernomyrdin, contains, inter alia, such odd lines as: "In case of a liquidation (?! — "MK") or reorganization of the founder (we would remind you that what is implied is the Russian Federation government — "MK")...its rights and duties in their entirety (in the absence of a successor) shall pass to the magazine." Thus the magazine RF is being announced as an eternal value, regardless of whether the national government survives in Russia or not.

Military & Nuclear Issues

Yeltsin Reportedly Takes Part in Border Exercises

MM2709125295 Moscow ROSSIYSKIYE VESTI in Russian 27 Sep 95 p 1

[Unattributed report under "President" rubric: "Border Troops' Demonstration Exercises"]

[FBIS Translated Text] On board a border patrol vessel Russian President Boris Yeltsin Tuesday [26 September] observed demonstration exercises being held by Russian border troops in the Black Sea eight miles off the Sochi coast. The demonstration exercises were led by Andrey Nikolayev, chief of the Federal Border Service [FPS], and the Russian Federation Border Troops' naval forces and aviation were brought into operation. Questions of interaction between the border troops' manpower and resources [sily i sredstva] are being worked on during the exercises.

"It is perhaps the first time in the entire history of our country that the head of state has traveled on a border patrol vessel to the state border and actually taken part in exercises being conducted by the border troops," FPS Director Andrey Nikolayev noted.

He also said that the president himself fired a shot from the ship's gun. According to the FPS director, Boris Yeltsin "personally set the border guards tasks and sometimes made certain modifications to the course of the exercises."

Grachev Fails To Appear in Court Again

LD2709145195 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1345 GMT 27 Sep 95

[FBIS Translated Text] Defense Minister Pavel Grachev again failed to appear at the sitting of the Krasnopresnya court in connection with the suit he brought against MOSKOVSKIY KOMSOMOLETS journalist Vadim Poegli and will be brought to court under compulsion, a Ekho Moskvy correspondent reported.

"I think that, whereas previously it was a matter of contempt of court without any cynicism, today's reason for failing to appear — dealing with winter housing for servicemen — has tried the court's patience just too far. The certificate was not even signed by Pavel Grachev himself but by his subordinate, Chief of Staff Kolesnikov,"

Poegli told Ekho Moskvy: "This will be the first time in Russian history that a minister will be forced to come to court under escort. Nobody expected a decision like this. Everyone in the courtroom was absolutely stupefied.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Then the spectators broke into applause. I reckon he will come along himself, to spare the 169th Militia Section such a mission."

Poegli also said he had been released from the undertaking not to leave Moscow, which he signed at the beginning of March.

According to information at the disposal of Ekho Moskvy, the next court sitting will take place on 25 October.

Grachev Visits Garrisons in Moscow Military District

LD2709143895 Moscow INTERFAX in English 1322 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — Russian Defense Minister General of the Army Pavel Grachev is currently visiting garrisons in the Moscow Military District, his aide Yelena Agapova said on Wednesday.

Agapova told INTERFAX the main purpose of Grachev's trip was to see what assistance the garrisons needed for the coming winter.

The minister would also discuss with garrison commanders their personnel's social problems.

On Thursday he is due to visit the Ryazan garrison.

The general also plans to meet local industrial executives to discuss their enterprises' payment arrears to the military industrial complex, the aide said.

Government To Consider Defense Ministry's Energy Debt

LD2709120595 Moscow INTERFAX in English 1029 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — The Russian government will consider the Defense Ministry's debt with the joint stock company "Kolskaya Energosistema" (Kola Power Production System) and the attempts to cut short the delivery of electricity to the Northern Fleet's bases in the Murmansk Oblast, First Deputy Prime-Minister Oleg Soskovets decided Wednesday after a conference at the Fuel and Power Production Ministry.

Murmansk Governor Yevgeny Komarov told the conference that both local authorities and power producers realized all too well that an interruption in the delivery of electricity could provoke something worse than the Chernobyl disaster of 1986. The eighty nuclear submarines based in the Murmansk Oblast had been taken off duty but their reactors were still functioning, Komarov said.

And yet, according to Komarov, the power producers saw no other way out now that the Defense Ministry had come to owe them 100 billion rubles. "The military made no move to pay their electricity bills this year," Komarov said.

The power plants of the Kola Peninsula have very limited fuel reserves. "If their financial problems remain unsettled, the Murmansk Oblast will hardly make it through the winter," Komarov stressed.

Two of the four power blocs of the Kola power plant have been taken out of operation now that the power plant is running short of fuel.

Public Movement for Military Reform Established

MM2709110595 Moscow MOSKOVSKAYA PRAVDA in Russian 27 Sep 95 p 1

[Report by Viola Yegikova: "Military Commissariats Sound the Assembly. Mothers Worried"]

[FBIS Translated Excerpt] For several years now, early fall and late spring have been nothing but a headache for workers at military commissariats. And for good reason, too: The draft plan is being terribly underfulfilled. The defense minister even gave Duma deputies the figure: As little as 23 percent of draft-age citizens, he said, report for military service, the rest grab at deferments, for which there are no fewer than 12 legitimate grounds, the disapproving minister counted. He cited the shortfall in conscripts as one of the main reasons why our units are already "on the brink of losing combat capability." [passage omitted]

This viewpoint is being increasingly countered by the public with another one as it calls for reforms in the Army. Last Sunday [24 September] the founding congress of a new public movement aptly called "For Military Reform" was held in Moscow. Cochairman Larisa Vladimirova, who did much in the past to unite soldiers' mothers, stressed that the new movement, which, incidentally, is backed by 26 public organizations, is not going to follow the current fad and take part in the elections. Its objective is different: to influence public opinion and politicians and to work for military reform.

During the congress both military men and civilians spoke convincingly about the pressing need for this. They also spoke about the army budget. It is already meager: While it accounts for 5 percent of GDP, the Army in its present shape requires as much as 15 percent. The important point is not only that our economy cannot manage such a figure but also that without reforms the money is not going to do any special good to the Army.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the meantime, society is far from indifferent to what kind of an Army the country has. And to the fact that for yet another year Russian mothers are awaiting a routine draft with fear and trepidation....

Physical Dangers Seen in Cutting Army Power

MM2609123095 Moscow ROSSIYSKAYA GAZETA in Russian 26 Sep 95 pp 1, 2

[Report by Sergey Ptichkin: "Keep Away From the Off-Switch! Power Workers' Sanctions Against the Strategic Forces Could Have Caused a Disaster. The Government Reacted Immediately"]

[FBIS Translated Text] The interesting thing is that the Russian Federation Defense Ministry, which is actually in charge of the most destructive types of weapons, appeared not to see any danger. What is particularly strange and incomprehensible is that it was the Strategic Missile Forces command that endeavored to calm public opinion. Yet they should have been the first to sound the alarm, since the power industry's exemplary sanctions began with these forces' main headquarters in Vlasikha, Moscow Oblast.

When one of the Strategic Missile Forces' command centers had its power cut off the country held its breath. It certainly did! Control over the mighty ICBM's was lost. What would happen?! As it quickly emerged — precisely nothing. The forces leadership immediately declared that the situation was under control, the reserve independent electricity supply had been switched on, and there was no danger.

But there is more to come. Having received thanks for stoically overcoming the difficulties of the transitional period and for not panicking, even in total darkness, the Strategic Missile Forces' command, during the defense minister's recent tour of strategic missile bases, obviously so convincingly demonstrated the ultrastability of its forces that Pavel Sergeyevich was sincerely delighted: There are units in our Army too, he said, which have everything except problems. "Keep it up, missilemen comrades, keep supporting our reforms!" the minister said and got on with more important things.

Now the power workers are simple, trusting people, and they watch television, too. If the strategic forces are guaranteeing the safety of their arsenals, but they are not paying for their power supply, why not regularly switch off their lights as an educational measure? After all, we have all, including the Army, accepted the terms of the market. And we do not give things away these days — everything must be sold. If you cannot buy power, you have to do without it, particularly if there is no danger of a disaster when it is switched off. You have to understand the power workers, too — they have to pay for everything as well: power station and power transmission line repairs, fuel — they have bills to pay.

Here we have to reveal a "terrible" secret, which was kept particularly well at the Defense Ministry, perhaps because they did not even suspect it existed.

Anyone who knows anything about technical matters knows that the most dangerous states, particularly for complex systems, are switching on and switching off, when you have transitional processes that are difficult to control. Regular switching off of the main sources of power supply and switching on of the reserve supply can rapidly disable not only any reserve, but the main system as well, in particular the safety devices.

Remember that it was the chaotic "switch on and switch off" of the fourth power unit at the Chernobyl Nuclear Power Station that eventually resulted in its safety devices' disobeying orders and in an explosion, yet the experiments they were carrying out were apparently in the interests of science and under its guarantee. It was thought that a "cold" submarine nuclear propulsion plant reactor in the process of construction in principle could not explode. Yet it went bang because someone had decided on a "switch on and switch off" at an inopportune time. Our paper discussed this "unreal" incident in an article entitled "Accident in the Stocks." I do not want to think about what might happen during checks on a nuclear warhead of something in the region of 10 megatons if a "switch on and switch" off were to start unexpectedly.

Sure, strategic missiles have multiple safety systems, like nuclear-power submarine propulsion plants. The problem is, though, that they were designed at a time when an enemy nuclear missile attack was regarded as the biggest threat, that had to be faced just once. Naturally it would be accompanied by disruption of communications, fixed power supplies would be totally cut off, and water would cease to be supplied. All our safety and multiple systems were designed to compensate for a one-time disruption of life-support systems, to ensure survival in the emergency conditions of the start of a global war, and to maintain a retaliatory strike capability.

Indeed, no one expected the "end of the world" to occur not after the World War III but after radical restructuring or to happen in a regular, routine way due to simple insolvency.

So the independent energy supply switched in on time once and then twice. But three times? It is perfectly possible that it would not happen a third time.

You have to pay tribute to Admiral Oleg Yerofeyev, commander of the Northern Fleet, who abandoned the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

misconceived honor of the regiment and for the first time in the Armed Forces' history talked not about their invincible might, but about weakness and fragility. That's it! That's the limit! Any more "playing at sanctions" against our own strategic forces is globally dangerous....

At any rate, the prime minister recognized this right away; Viktor Stepanovich Chernomyrdin reacted immediately. Henceforth switching off the power supply to very important Defense Ministry facilities as a penalty is absolutely prohibited.

But let us not forget about market arrangements. The Russian Finance Ministry must make a special transfer to immediately pay off all debts to the energy industry, otherwise, quite apart from the goodwill or ill will of ordinary people, given all the prohibitions and even armed guards on substations, the current could still dry up because there could simply be nothing to generate it with and no money....

Funds Not Available To Pay Army Personnel

LD2709165995 Moscow ITAR-TASS in English 1630 GMT 27 Sep 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, September 27 (ITAR-TASS) — The debts of Russian Defence Ministry to army personnel and suppliers total 12 trillion roubles (2.6 billion US dollars), Defence Ministry official Aleksey Nefedov told a round table conference on Wednesday on 1996 budjet issues.

There will be no money to pay servicemen and civilians in the army as a result, Nefedov said.

The general voiced a disagreement about a 1.7 times decrease in defence spending in 1996 draft budget compared to what the ministry had demanded.

"An attempts to economise on the Armed Forces is being made," he said, stressing that the violation of laws on the status of servicemen and veterans, as well as other laws, "makes their implementation in 1996 doubtful."

Nefedov draw the attention of those present at the conference to the necessity of increasing the servicemen's allowance more than twice and introduce a single system of pay in all law enforcement structures.

The official expressed hope that the 1996 budget would reflect the needs of the military.

Space Force Withdraws Armed Guards From Substations

LD2709202795 Moscow INTERFAX in English 1807 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — The command of the Russian Space Force [RSF] Plesetsk launching site withdrew armed guards from transformer substations Wednesday.

An official in the RSF told INTERFAX that the guards were posted last week to prevent the local utility company from cutting off electricity to the launching site. If Plesetsk had not been receiving the power supply, the Resurs-F2 geodetic satellite would not have been launched into orbit last Tuesday.

The military in the region owe the Arkhenergo company over 38.5 billion rubles, of which 17 billion is owed for the launching site itself, the testing ground and the town of Mirniy with a population of 50,000. Arkhenergo cut off energy to the testing ground and tried to cut off supplies to the launching site.

The conflict was resolved when the regional administration granted Arkhenergo a 50 billion ruble credit to pay the debts incurred by local defense factories and Defense Ministry installations. Furthermore, a government ordinance signed by Prime Minister Viktor Chernomyrdin on September 23 banned the disconnection of power supply to defense factories and installations.

The debt of Arkhangelsk region's customers to the local energy suppliers totals 232 billion rubles. Defense factories and installations account for 40% of the total.

Academician: Russian Nuclear Arms Safely Stored

LD2809101895 Moscow ITAR-TASS in English 0830 GMT 28 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW September 28 (ITAR-TASS) — Russian nuclear arms do not pose danger for the population. They are safely stored and maintained, holds Lieutenant-General Sergey Zelentsov, Academician of the Russian Academy of Natural Sciences, consultant of the Russian Defence Ministry. Rumours about lost positions in ensuring safety of strategic arms are groundless, Zelentsov said on Thursday at a news conference in Moscow devoted to nuclear safety of military facilities.

The control of the Defence Ministry is highly effective, and Russian ecologists, after a recent check, concluded that nuclear facilities of the Defence Ministry are utterly safe. There is a spate of publications and statements

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

on television and radio on problems of nuclear safety for the reason that other structures of supervision have now been barred from control over nuclear bases and storages. Meanwhile, not a single nuclear country has any additional monitoring structures in this area, Zelentsov said. Safety of nuclear arms in the United States, China and other countries is monitored only by the defence agencies.

Federal Assembly

Duma's Seleznev Claims Privatization Plan Unlawful

MK2809061095 Moscow SEGODNYA in Russian 27 Sep 95 p 1

[Unattributed report: "Duma Deputy Chairman Considers Second Stage of Privatization To Be Unlawful"]

[FBIS Translated Text] Gennadiy Seleznev, Russian Federation State Duma deputy chairman, has claimed the current, second stage of privatization to be unlawful. "The State Duma has rejected Anatoliy Chubays's program," says Mr. Seleznev's statement. "The business people must harbor no illusions as to the safety guarantees of their purchases. Everything done today in violation of the law will be protested tomorrow," Mr. Seleznev stressed.

Moscow Said To Be Overrepresented in Duma

MM2509142395 Moscow PRAVDA in Russian 23 Sep 95 p 1

[Report by Sergey Semenenko: "Provinces Given Greater Weight in Parliament"]

[FBIS Translated Text] The bulk of the present State Duma deputies seem to be prepared to take up the "deputy's difficult burden" again. At any rate, according to experts, nine in every 10 people's representatives are once again fully determined to offer the population their services. The new reorganization of districts has changed little for most of them: They will conduct their election campaign within the usual, well-explored territorial-political framework. There is one problem — a considerable number of the public are disappointed with the results of the activity of the State Duma, first convocation.

What must be done to avoid making the same mistakes? This issue was discussed by participants in a conference of leaders of Russian Federation components' legislative and executive bodies. Even Shumeyko, speaker of the parliament's upper house, was forced to acknowledge that there is a patent imbalance in the current Duma. Thus, as a result of the 1993 elections Moscow, where just over 6 percent of Russia's voters live, received all but 38 percent of the seats in the State Duma (168 deputies). Yet the Volga-Vyatka region, which also contains 6 percent of the voters, is represented by just 14 deputies, that is, it only holds 3 percent of the total number of seats. Few more are held by the Ural Region (14 percent of the voters and just 8 percent of the seats) along with other regions. Rural inhabitants make up 27 percent of Russia's population but hold just 8 percent of the seats in the State Duma.

That is why it was no coincidence that there were calls for broader, equal representation in the supreme legislative body for representatives of all regions and for the focus of the election campaign to move from the asphalted streets of Moscow to the far reaches of Russia, to those areas where the state's main constructive forces are concentrated.

Regional Affairs

Chechnya Reportage: Military, Economic, Political

Self-Defense Groups a 'Serious' Problem

MM2709134695 Moscow KRASNAYA ZVEZDA in Russian 27 Sep 95 p 3

[Report by Major Sergey Babychev and Major Vitaliy Strugovets: "Who Is Protected by the Protection Detachments?"]

[FBIS Translated Text] One of the most serious problems worrying the military in Chechnya is the creation of so-called detachments for the protection of population centers. The command of the Integrated Grouping of Federal Forces is convinced that such detachments ought to be formed only in villages which are still without internal affairs organs. And this ought to happen only under the control of the Special Observers Commission and the OSCE [Organization for Security and Cooperation in Europe]. But Dudayev's side has already unilaterally created such detachments in Gerzel-Aul, Tanga, Nizhniy Gerzel, and dozens of other population centers. According to the federal forces command, this is nothing but legalization of illegal armed formations.

This was admitted by Aslan Maskhadov at a Special Observers Commission session at the end of last week, and he promised to make all efforts to disarm such detachments.

Many of the republic's religious leaders also say that there is no need for such detachments. The need to fully disarm all except the police was recently noted by Ilyas Arsanov, imam of the Groznyy mosque and famous theologian. We do not need any defense committees in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the villages, he emphasized. "By setting them up," the imam said, "we are reviving Dudayevite forces."

The self-defense detachments, field commanders declare, are being set up in order to, among other things, protect populations centers against pillaging by Russian servicemen. In actual fact, the criminogenic situation deteriorated sharply immediately after Dudayev's supporters started arriving in population centers in the guise of militias. Here is the latest example. Protection detachments in the villages of Kadi-Yurt and Engel-Yurt regularly engage in extortions along the highways, while "militiamen" in the village of Verkhneye Noybera claim all sorts of benefits and preferential treatment....

We were told at the command staff that at times the mechanism for setting up the so-called self-defense detachments is downright jesuitical. Field commanders take gunmen into population centers under the pretext of disarmament "at places of residence." They use arms and intimidation to force the elders to convene village assemblies which confirm the "legitimacy" of spontaneously created detachments.

The Dudayevites makes very skillful use of legal loopholes in the agreements that have been reached. Specifically, the agreements say that the withdrawal of troops from a population center is effected when disarmament begins there. The delegations have not worked out a definition of disarmament. "We are handing over an assault rifle," the Chechens say, "and you must withdraw the troops, after all, we have begun the disarmament...." It looks as if the Army will have to start paying in blood for errors committed not only by politicians but also by legal experts....

Meanwhile, the positions of federal troops in Chechnya came under fire on 12 occasions in the night of 25-26 September. Most of them occurred in the cities of Groznyy and Gudermes. One serviceman died and six were wounded. The response to the attacks took the form of aimed fire in several instances.

True enough, there is also some good news. Major Vladimir Filichkin, leader of the Federal Forces in Chechnya Press Center, told KRASNAYA ZVEZDA's correspondents that serviceman Gennadiy Zolotov from the First Tactical Grouping, who was captured by gunmen 18 September, was operationally released from Dudayevite captivity 25 September. But the soldier's mother could not bear what was happening and did not live to see him. On his return from captivity, Zolotov traveled to her funeral.

Livshits on Chechnya Financial Aid

LD2709173095 Moscow NTV in Russian 2100 GMT 26 Sep 95

[From the "Segodnya" program]

[FBIS Translated Excerpt] It is well known that the war in Chechnya has brought a huge number of casualties and destruction. Furthermore, it has compelled the cabinet of ministers to seek funds outside the budget to restore what has been destroyed, because the government is insisting on the need to restrain inflation. Aleksandr Livshits, the Russia president's economic affairs aide, gives the official point of view on the ways to seek money, especially for the "Segodnya" program.

[Begin Livshits recording] First and foremost, we have to sort things out with the banks through which the funds go. If things are being held up there, then we have to realize this potential. That makes no demands on the budget. If a great deal is required from the budget, then a bill has to be got through the Duma to amend the law — the government, after all, operates in accordance with the law on the budget. [passage omitted]

The central problem is to boost revenue, to find additional reveue for the budget in order to be able to cover all this spending. I will say more: finding these funds is a matter of life or death for the government because if they can't scrape up the funds, but spend so much, there'll be complete failure.

Can the funds be got from somewhere? Yes, indeed. What I am thinking of here is the income from handing over federal packages of shares as security, which should come in before the end of the year, and not only from the banks who are prepared for this, there are many others which are getting ready. There are other reserves, in particular the notorious arrears of payments into the budget. [passage omitted]

Best of all, though, would be to have done with Chechnya. [end recording]

Banks Fail To Credit Economy

MK2709150695 Moscow SEGODNYA in Russian 27 Sep 95 p 2

[Report by Aleksandr Bekker: "Time Schedule for Extending Credit to Chechnya Is Being Disrupted. It Has Been Proposed That 'Yugorskiy' and 'Natsionalnyy Kredit' Be Deprived of Their Authorized Status"]

[FBIS Translated Text] Petr Surov, deputy chairman of the State Commission on the Restoration of Chechnya's Economy, is seriously concerned over the situation with the funding of the republic. At yesterday's meeting of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the commission, he was "pressing hard" on the managers of a dozen commercial banks, demanding that they completely fulfill the September schedule for crediting the Chechen Republic's economy.

The money component of the Chechnya restoration program consists of two equal parts: direct budgetary funding and crediting by commercial banks that have been authorized under state guarantees. The crediting had been steady enough until August, when the interbank credit market was hit by a crisis. It was then that Chechnya did not receive credits from commercial banks in the amount of 154 billion rubles [R]. The Finance Ministry, which owed the Pension Fund R2 trillion, also failed to cope with the situation. According to First Deputy Finance Minister Vladimir Petrov, however, "the situation is improving" now. Under the September schedule approved by First Deputy Premier Oleg Soskovets, Chechnya will receive R1.65 trillion (including treasury bonds, tax exemptions, and the redemption of commercial banks' credits from the budget). Mr. Petrov has considerably less confidence in authorized banks, which were supposed to credit the ministries and agencies conducting restoration work in Chechnya for R426 billion. In reality, however, only "Menatep" has concluded a credit agreement with a contractor, worth R76 billion.

The resolute Mr. Surov said that a proposal had been submitted to Mr. Soskovets that "Yugorskiy" and "Natsionalnyy Kredit" be struck from the list of authorized banks. Mr. Petrov was also no less harsh, telling the "Messrs. bankers": "Please remember — credits come first, and only then can there be redemption from the budget." Nonetheless, several heads of authorized banks said honestly at the meeting that they could not guarantee crediting in the volumes stipulated by the schedule.

Politician on Khasbulatov, Peace Process

LD2709200295 Moscow INTERFAX in English 1908 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — The involvement of the former Russian parliamentary chairman, Ruslan Khasbulatov, and the former Checheno-Ingush parliamentary chairman, Doku Zavgayev, in the peace process in Chechnya is a mistake by Russia's authorities, the former Chechen parliamentary chairman, Yusup Soslambekov, told INTERFAX Wednesday. Soslambekov had chaired the Chechen parliament until it was disbanded in July 1993.

According to Soslambekov, these two politicians will deepen the social split in Chechnya and delay the establishment of peace.

"If Chechnya had only two camps, pro-Dudayev rebels and supporters of the national confidence government," then the appearance of Khasbulatov and Zavgayev on its political horizon will spell four different camps, he said.

"None of the current political leaders can unite the entire Chechen people" now, Soslambekov said. He pointed out the need to draw former Chechen deputies into the settlement process.

Soslambekov was convinced that the suspended Chechen parliament still remains a "constitutional body" capable of maintaining "the balance of political forces in the republic."

Polevanov Urges 'Complete' Disarmament

MM2609131495 Moscow PRAVDA-5 in Russian 22-29 Sep 95 p 2

[Article by Vladimir Polevanov, former Russian Government vice premier and leader of the "For the Motherland!" election bloc, under the "Unedited Column" rubric: "Constitution Being Trampled On in Chechnya"]

[FBIS Translated Text] In the last few weeks and even months we have become accustomed to reports from Chechnya which usually run as follows: "The situation is calm, one serviceman has been killed and two wounded." Like an offering to an insatiable monster, every day we are sacrificing a young life and two crippled fates and calling this a "calm situation." It is hard to imagine greater cynicism, just as it is hard to escape the feeling of our personal guilt in respect of the guys we have sent to risk their lives. Many of them will never return from their "Chechen assignment."

But now those left alive, having experienced all the horrors of this hell, do not know what so much blood has been shed for. Essentially they have been betrayed on a grand scale. This must be said honestly and bluntly, just as bluntly as they talk among themselves. It is a betrayal because right now a bazaar masquerading as talks is going on over the freshly dug graves. Talks to whose quiet babbling, Russian soldiers' blood continues to be shed. Talks whose purpose remains unclear even to their participants.

Everybody has seemingly made a pact to avoid the main, fundamental questions. First among them is undoubtedly the question of exactly what happened in Chechnya. If we are not afraid of calling a spade a spade, what happened was there was a coup d'etat accompanied by human casualties.

Albeit belatedly, it was decided to restore constitutional order on this Russian Federation territory by using the resources that met the specific conditions that had developed. I remind those who have forgotten and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

stress: "constitutional order." This is why federal troops were sent in, this is why sacrifices were made.

I will leave aside the legal flaws in this procedure, poor organization, and mistakes which proved fatal to many soldiers. Despite all this the military operation was practically completed by summer at a huge and terrible price. It remained only to transfer it from a purely military to a military-political and then simply a political plane. Instead of this, by completely strange logic talks began which are gradually reducing all the hard campaign's results to nothing. Victories on the battlefield have been turned into a defeat at the negotiating table. Completely inexplicable concessions and the readiness to discuss questions that are not subject to discussion in any circumstances have begun. Above all, Russia's territorial integrity is such a question. It should have been possible to discuss only the procedure for disarming anticonstitutional armed formations.

There is more: The unique decision to create some kind of self-defense detachments is being made. Incidentally, we just do not know who the author of this idea is, but the country should know its heroes. How can there be talk of self-defense detachments if constitutional order is being restored? In which article of the Constitution was this legal wonder found? Why not create such detachments in Moscow, Tambov, or Kazan? How do these populated areas differ from Chechen ones? In no way, if we stick to the Constitution. But this is if we stick to it.

Having received this wonderful gift, Dudayev's supporters were not slow to use it and quickly turned their rebel formations into decent "self-defense detachments." Moreover, to add insult to injury in a number of cases they got hold of weapons from federal dumps. If this is not madness then it is undoubtedly betrayal.

Meanwhile self-proclaimed President Dudayev simply mocks Russian statehood.

How can a dialogue be conducted with a side whose head is unwilling to recognize a basic principle, which is what Russia's territorial integrity is to the federal side? By exploiting his Moscow opponents' complaisance, Dudayev is gradually squeezing the federal authorities out of those cities and villages from which his gunmen were cleared in spring. He is now appointing his own commandants, publishing his own newspapers, and carrying out mass propaganda — all this with the federal government's incomprehensible connivance.

Be that as it may, the Army has yet again been deserted by the authorities. It seems that the sins constantly committed by Gorbachev are also becoming typical of the current Russian leadership. The longer time goes on the more the situation in the Army is reminiscent of the civil war times, when every officer and general had to decide for himself which orders he would obey and which he would not. This began in August 1991 and continues to this day. The Army is becoming demoralized and is ceasing to trust the authorities, which is dangerous because one of the state's most important foundations is becoming loose. These are the consequences for our Armed Forces of the "strange" talks.

There are no good ways out of bad situations. Pulling the Chechen knot tighter by aimless, pointless, and essentially unconstitutional talks is leading only to even more sacrifices and losses. The real solution to the problem is the complete and unconditional disarmament of those who have no legal right to bear arms, direct presidential rule until law and order has been fully restored, and only after that the holding of elections.

'Further Attempts' Made To Expel Russia From Crimea

LD2709131295 Moscow INTERFAX in English 1109 GMT 27 Sep 95

[FBIS Transcribed Text] SEVASTOPOL, Sept 27 (INTERFAX) — Further attempts will be made to drive Russia out of the Crimea and the Black Sea, the first deputy commander of the Russian Navy Admiral Igor Kasatonov told INTERFAX.

Nonetheless, Kasatonov is confident that the Black Sea Fleet "has been, is and will remain Russian."

What is most important, Kasatonov said, is agreement on strategic partnership between Moscow and Kiev. Ways to interpret that agreement give rise to a different issue and will be defined in the course of more negotiations, he told INTERFAX.

As regards Russia's other Fleets, much attention is being paid to the Northern Fleet whose vessels make long voyages and monitor developments everywhere, Kasatonov said.

The Pacific Fleet is facing more problems. In Kasatonov's view, the balance between the Pacific Fleet's and Japanese forces is shifting in favor of the Japanese but its nuclear forces are based at Kamchatka and face no special problems.

The Baltic Fleet is based at Kaliningrad and St Petersburg.

The Caspian Fleet "is building up forces on the Russian coast."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Some 7,000 sailors, or "full-strength battalions of the Baltic, Northern and Pacific Fleets, as well as their hardware" were committed to combat action in Chechnya, Kasatonov said.

"All of them rushed into the thick of it and seized control of the presidential palace. The Marines proved their courage and an ability for concerted moves, and were quick to help one another in the hell of a battle. Fifteen sailors became Heroes of Russia. Many, a total of 171, were killed, including several officers," Kasatonov said.

Cossacks Union Forming 29 Border Guard Units

LD2709151995 Moscow INTERFAX in English 1404 GMT 27 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 27 (INTERFAX) — The Union of Russia's Cossacks is forming 29 units which will serve in the armed forces, and 31 units for service in border troops, the Union's Ataman Aleksandr Martynov told a press conference in Moscow Wednesday [27 September]. Martynov figures in the central part of the federal list of candidates of the Our Home is Russia movement. The Union was established in 1990 and has more than 3 million members.

Martynov said that "Cossack regiments have taken part in combat operations, including operations to restore the constitutional order in Chechnya, for which four regiments were awarded the Cross for Faith, Freedom and Fatherland. The same award was given to Lieutenant-General Lev Rokhlin who ranks third in Our Home's list.

In answer to an INTERFAX question about the role of the Union among Cossack organizations, Martynov said that "unions of Cossack troops and Cossack officers and other organizations of this kind represent more than 10 million Russian Cossacks who constitute a people in its own right, not a social layer." In his opinion, "alternative unions have been established by certain forces on the basis of the rule-and-divide principle."

He announced that he will make a tour of the predominantly Cossack regions soon. The tour is to begin from the Far East and Sakhalin, he added.

Sverdlovsk's Rossel Facing More Political Clashes

MK2809080495 Moscow KOMMERSANT-DAILY in Russian 20 Sep 95 p 3

[Report by Viktor Smirnov: "Political Life of the Regions. Eduard Rossel Combats Legacy of the Past"]

[FBIS Translated Text] The transition from the celebrations in August to routine daily work has proven difficult for Sverdlovsk Oblast's new governor Eduard Rossel. The intention to purge the oblast authority of those promoted to executive posts by former oblast head Aleksey Strakhov remains unfulfilled owing to the federal status of many of the ex-governor's proteges. As for mutual understanding between the governor and the oblast government chairman, it does not appear as complete as in August.

An attempt to get rid of some of Strakhov's supporters was taken by Rossel's comrades in arms in the oblast Duma already in the first autumn session. The central targets of the deputies' attack were the chairman of the oblast Committee for the Administration of State Property [CASP], Vladimir Vaulin, who played one of the main parts in the "aluminum" affair, and the chairman of the Sverdlovsk state television company, Vladimir Kostousov, who, some Duma members think, gave the oblast's airwaves to Strakhov's unreserved use.

However, despite the almost unanimous desire of the session's participants to bring officials in the "Strakhov" administration to account for violations they committed, punishing the culprits right away proved impossible. With regard to the CASP chairman, the deputies could only request the State Committee for the Administration of State Property of Russia to see if he measures up to his position. The people's choices differed in assessing the performance of the television chief: The Duma failed to determine, at first glance, if the television electoral policy corresponded to federal and oblast election laws, and attempts by some speakers to accuse Kostousov of being professionally ineligible were cut short by the deputies themselves. As a result, the item on voting no confidence in the oblast's television head was struck off, and everything ended by setting up a commission to check up on his work.

Eduard Rossel also had unexpected problems forming the oblast government. Valeriy Trushnikov, who gave up his votes in favor of Rossel during the elections and who was rewarded for this with the position of premier, did not want to form a purely Rossel cabinet, something that dragged out the governor's consultations with the premier for a month. Rossel finally put forward his men to the key positions but let Trushnikov's supporters have the positions of head of the government staff and one of the premier's deputies. However, the September personnel tug-of-war may become only the first sign of future political clashes between the oblast's two top men.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ROK Planning To Invest in Nakhodka Economic Zone

LD2709204295 Moscow ITAR-TASS in English 1921 GMT 27 Sep 95

[By Leonid Vinogradov]

[FBIS Transcribed Text] NAKHODKA, September 27 (ITAR-TASS) — The Republic of Korea is planning to invest 700 million U.S. dollars in the construction of its industrial complex on the territory of the "Nakhodka" free economic zone in Russia, Sergey Dudnik, head of the administration of the zone told ITAR-TASS.

He informed that the Korean government corporation on land development would assume the main share of the construction of the complex.

In May this year the corporation opened its office in the Far Eastern city of Nakhodka and is already financing engineering and surveying works on the basis of which the building of enterprises of the light industry will begin in the near future occupying an area of over 300 hectares.

The decision to build a South Korean industrial complex in the Maritime Territory was made in November 1992 during President Boris Yeltsin's visit to Seoul. But only in spring this year both sides began to take real steps towards the implementation of this project.

The Republic of Korea charged its government corporation on land development to tackle the construction of this complex.

The administrative committee of the "Nakhodka" free economic zone, Vice-Premier of the Russian government Oleg Davydov and governor of the Maritime Territory Yevgeniy Nazdratenko will deal with the industrial complex on the Russian side.

To create better conditions for mutual contacts, Koreans sent several representatives to Moscow to study Russian. After completing the courses, they came to Nakhodka and are serving now as a good connecting link between the Russian and Korean working groups which are drawing up documents on the construction of the industrial complex.

According to Sergey Dudnik, about 10,000 new jobs will be created at the industrial complex and they will be offered not only to Koreans and Russians but also to workers from third countries.

About 80 per cent of products manufactured by the complex will be exported. The remaining 20 per cent of produced articles will go to the Russian domestic market.

After the Russian premier's visit to the Republic of Korea, plans of the two countries are expected to be implemented faster, experts from the "Nakhodka" free economic zone believe.

The ordinary people are thinking the same hoping that the Korean industrial complex will become an important stimulus to the economic development of the entire Far East region.

Irkutsk Conference on Power Engineering Reviewed

954F3544A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 21 Sep 95 p 5

[Article by Aleksandr Koshelev, sector chief at the Siberian Power Generation Institute: "The First Swallows on the Baykal: Irkutsk Hosts All-Russia Conference on Power Generation"]

[FBIS Translated Text] As we have reported, a power station operating on photoelectric converters has been put on line in the Baykal region; it has an extended battery discharge capacity of 6 kw and provides solar-generated power for a school in Bolshoye Goloustnoye village. Here is more news clearly worthy of attention.

The Siberian Power Generation Institute of the Siberian Branch of the Russian Academy of Sciences has been doing nontraditional, or clean, power generation research for a long time, and not only from an academic standpoint. In 1990 the first power generation unit on renewable natural resources was successfully tested in the Baykal area—a simple solar-powered shower room for a geological expedition: It is nice to turn on a warm water faucet in the evening upon returning from the route. In 1992 a more powerful—3.5 kw—solar unit was tested on a tourist base in Murino, which was then moved to a tourist base in Zima, where it provided hot water for the cafeteria. "Solar" water not only conserved compressed gas, but also improved and made the work of cafeteria personnel easier.

In 1993 similar units were put on line at the Solnechnaya meteorological station and the Slyudyanyye Ozera tourist base near Severobaykalsk. The latter was especially welcome: Returning from hiking trails, tourists no longer had to wait in line to get to the bath house and instead took showers en masse in stalls delivering water accumulated over the day.

The past summer season, in addition to the solar power station in Bolshoye Goloustnoye, was also marked by other milestones in the development of nontraditional power generation—this time in the Olkhon region, where the situation with traditionally "fired" power generation is especially difficult. A power line runs from

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Khuzhir south and north, to Peschanaya village, but area residents spent the summer using kerosene heaters and candles.

On 12 August on the territory of the earth currents station (SZT) of the Siberian Branch of the Russian Academy of Sciences Institute of Solar and Earth Physics a solar-powered heating complex was put into exploitation; it consists of a household-use hot water distributor and a principally new type of generator—with continuous solar tracking by means of rotating heat-collection panels around the vertical and horizontal axis. Easily and effortlessly accomplished manually (it could be automated, of course, but this is probably not the appropriate case for it—it is no problem to turn the panels several times a day while passing through the area), this tracking increased the unit's daily productivity by 70 percent. The quantity of water—130 liters heated to 50-60 degrees—is quite enough for SZT personnel and those of the adjacent Uzur hydrometeostation. Firing up a bath house is a major event; this way, however, all one has to do is turn on the faucet—and enjoy it! People especially appreciated the convenience of showers during the hay-mowing season.

It appears the model came out very well (one can perfect things ad infinitum!): The unit immediately attracted the attention of local farmers and visiting owners of summer houses—for them, this is a lucky find.

The next milestone was reached in the same area, Uzur—on 20 August a wind-powered power generator with nominal capacity of 5 kw was started up; its purpose is to recharge SZT batteries, and while it does not replace the diesel generator, it certainly removes some of the load—fuel expenditure, and, correspondingly, smoke discharge, decreased substantially.

While no problems are expected with the solar heater—this is not the first design, its "sisters" have been in exploitation for years—wind-powered and photoelectric generators may still present problems. Strong, and frequently changing, winds; potential icing from Baykal evaporation; seismic problems—all this needs to be experienced and adaptations made. But this is precisely the task of the first swallows on the clean lake's shores.

Novosibirsk Gasoline Shortage Assessed as Critical

954F3540A Novosibirsk SOVETSKAYA SIBIR in Russian 19 Sep 95 p 1

[Comments by Pavel Simonov, general director of the Siberian Gasoline Open Joint-Stock Company; place and date not given: "There Is Gasoline—There Is No Gasoline"]

[FBIS Translated Text] Gasoline problems arose once again at the end of last week. Novosibirsk drivers were forced to drive around the city to fill up their gas tanks, and on finding an operating station, had to wait in long lines. It was immediately understood: Gasoline is getting more expensive. And they are not mistaken. But even with an increase in prices there is not an abundance of fuel, and, as before, the lines at gas stations are not getting any shorter.

Here is how Pavel Simonov, general director of the Siberian Gasoline Open Joint-Stock Company, commented on the situation.

"The company's specialists are inclined to evaluate the situation that has developed in recent days in the supply of gasoline to the city as critical.

"This crisis was predictable, and it is of a seasonal nature, inasmuch as it is directly connected with the harvest campaign. In this connection the Omsk oil refinery, which is the main supplier of POL [petroleum, oil, and lubricants] to Novosibirsk Oblast, introduced a substantial restriction on the issuance of POL to commercial organizations, giving priority, naturally, to state and agricultural structures.

"An also not unimportant condition that contributed to the emergence of disruptions in the delivery of fuel to the city was the fact that the oil that has been arriving at the Omsk NPZ [oil refinery] since the 5th of this month was delivered at an increased price, which in turn caused a jump in the price of all gasoline brands produced by this plant. On 10 September the delivery of POL from the Omsk NPZ was renewed, but at an increased price. But even after the delivery of this gasoline (first supplied to state and agricultural structures), serious difficulties arose in view of the lack of railroad containers.

"According to an evaluation by specialists at the analytical department, the crisis that emerged indicates a clear tendency toward continuing for a month at minimum. But the consequences of its interruption (the interruption in the availability of POL, unjustified jumps in prices, and others) will manifest themselves right up until the end of the year.

"As noted above, the Siberian Gasoline OAO [open joint-stock company] predicted this crisis, and adequate measures were undertaken accordingly: The establishment of specific reserves, the arrangement of closer coordination with POL suppliers from other regions, and such like. As a consequence of the measures that were undertaken, it turned out that at Hercules Company gas stations, which implemented guaranteed refueling for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Siberian Gasoline coupons, the interruptions were not of a serious nature.

"The situation that set in convincingly demonstrated the advantages of a coupon system, affirmation of which is the booming demand for Siberian Gasoline coupons. However, in view of the declared guarantee by the Siberian Gasoline OAO administration, some restrictions were introduced on the sale of coupons. Most of all in order that the interests of permanent clients of the company who acquired the coupons earlier would be observed.

"I would especially like to note that, given the availability here in the oblast of its own refinery enterprises, similar situations simply would be ruled out."

Novosibirsk Meeting on Regional Elections Reviewed

954F3545A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Sep 95 p 2

[Article by Dmitriy Gorbachev: "Vain Efforts: Deputies of the Oblast Soviet Attempted To Persuade the Rayon Authorities"]

[FBIS Translated Text] An interrayon conference, which discussed the charter of Novosibirsk Oblast and the draft Gubernatorial Elections Act, was held in the city of Kuybyshev recently.

As we know, the oblast soviet, having at its last session approved these documents in their first reading, called on the oblast community to participate most extensively in their discussion. The heads of the administrations of a number of rayons of the oblast, representatives of local government authorities, employees of the oblast administration headed by Ivan Indinok, and a group of deputies of the oblast soviet assembled for the conference in Kuybyshev. This meeting was the second of the three such activities to be conducted in rayons of the oblast.

The Kuybyshev authorities had made thorough preparations for it and had furnished it with all due ceremony: Two full hours before the start of the conference, State Automobile Inspection officers had set up beefed-up posts around the Palace of Culture, in which the conference was held, and were slowing down the townspeople's cars. In the best traditions of the past, several women hastily painted the Vladimir Ilich monument in front of the Palace of Culture, not the statue itself but, for some reason or other, merely the pediment; a tricolor, which there had been some difficulty finding, was brought into the hall and was subsequently placed on the stage and turned out to be somewhat crumpled. In a word, everything went according to plan.

As VECHERNIY NOVOSIBIRSK has already written, the draft laws were adopted by the session of the oblast soviet not without debate, and a group of deputies had drawn up their own, alternative drafts of several important articles of the oblast charter and had proposed that the governor be elected not by the direct ballot of all inhabitants of the oblast but via the creation of an Assembly of Representatives, such as were to elect the head of the administration. It was to learn the opinion not only of the inhabitants of Novosibirsk but of the leadership locally that the oblast soviet organized the conference. The attendance of the governor and members of staff of the oblast administration came as quite a surprise to the deputies who were in disagreement with the adopted version of the documents.

The conference was opened by Ivan Indinok, who was, together with Anatoliy Sychev, its cochairman. He expressed the viewpoint of the oblast administration, which is that under the present conditions of economic crisis there should be absolute rule in the oblast's economic policy. The governor should undoubtedly be monitored by the deputies of the oblast soviet, but should not have to report to them on his every step, which would be inevitable in the event of his being elected by an Assembly of Representatives. The head of the administration spoke about the enormous oblast budget deficit and the need for the pursuit of a judicious social policy and the need for keeping the Agro-Industrial Committee and industry afloat. For this, from Indinok's viewpoint, it is essential to cooperate broadly with neighboring oblasts. The governor then spoke about the need for the timely disbursement of wages and pensions, and in Kuybyshev, incidentally, average pay has barely crossed the 120,000 ruble mark, and he declared sundry other incontestably good intentions and desires of his. He repeated once more the arguments to the effect that gubernatorial elections on 17 December would make it possible to economize on considerable monies from the oblast budget.

Nor were the deputies forgotten, for that matter: Ivan Ivanovich proposed a prolongation of the term of the oblast soviet by two years and the election next March of as many deputies again to ensure continuity in the activity of the soviet because only now have the deputies fully assimilated their duties and begun to work in earnest. Indinok also proposed a mechanism of the mutual dismissal of the deputies of the oblast soviet and the governor. The latter could be dismissed by a two-thirds vote of the deputies, and the soviet could be dissolved by the governor. Indinok emphasized that all rayons of the oblast are grant-aided and that there is a sole donor—Novosibirsk—and individual rayons are aided 80 percent, what is more, and for this reason

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the governor could not allow them to interfere in the economic policy of the oblast authorities. Especially since the oblast administration delegates powers to the rayon authorities.

The next speaker was Deputy Viktor Kuznetsov, who spoke for a long time and not entirely intelligibly about the need for government by the people (it was incomprehensible why, then, he is opposed to general elections) and the strict accountability of the executive to the legislature. Kuznetsov also advocated an increase in the number of deputies of the oblast soviet, advancing as an example the old composition of the soviet, which had 250 deputies. The present 49 deputies, in Viktor Yegorovich's opinion, are not impartial and, engaging in lobbying, are pursuing by no means popular interests. Speaking about the Assembly of Representatives, he cited as its principal merit the possibility of the recall of the governor without waiting for the conclusion of his four-year term and observed that were there such a mechanism at the national level, it would not be necessary to wearily wait out the end of the present president's term. Kuznetsov cited for the first time, incidentally, the contemplated number of members of the Assembly of Representatives—400. He announced in conclusion that, according to his conversations with his constituents, the latter, having given it much thought, by no means support general gubernatorial elections. Practically the same was said by Anatoliy Sychev, who expressed the fear that in the absense of an adequate legal base the governor's power would be too great.

Dmitriy Puchkin, drafter of the Gubernatorial Election Act, spoke on behalf of the oblast administration. He emphatically disagreed with the opinion of the speakers of the oblast soviet and adduced his opinion, the meaning of which amounted to the need for the adoption of the law as a small, but very important, brick in the cause of the oblast's constitutional development.

The heads of the rayon administrations and representatives of local government then spoke. They all, with just about a single exception, agreed with the opinion of the oblast administration, announcing that it reflected the general mood of the electorate. The idea of the creation in the oblast of the position of human rights commissioner was emphatically rejected. The main arguments against it were the reluctance to create one further bureaucratic structure and puzzlement as to what in this case numerous deputies of various levels would be doing. Some unsuccessful wording of the charter such as, for example, "The territory of the oblast cannot be changed without its consent" and several similar instances were quite harshly criticized.

The final resolution of the conference recommended that the deputies of the oblast soviet adopt the oblast charter before the end of the year, and the law on elections of the head of the administration before 7 October, and hold the elections of the latter on 17 December. The creation of a statutory judicial chamber and the office of human rights commissioner was deemed unnecessary, and the conferees agreed with the need for an increase in the number of deputies of the oblast soviet.

At the activity's conclusion Ivan Indinok congratulated the head of the administration of Barabinskiy Rayon on his 50th birthday and presented him with an accordion on behalf of the oblast administration. The celebrant immediately began to play it, and Ivan Ivanovich danced, to the delight of those present. On this touching note the conference came to an end.

Economic Issues

TRUD Interviews Grachev on Monetary, Economic Issues

MM2809125595 Moscow TRUD in Russian 28 Sep 95 p 2

[Interview with Russian Defense Minister Pavel Grachev by unidentified TRUD correspondent; place and date not given: "Grachev Favors Deepening Reforms" — first paragraph is TRUD introduction]

[FBIS Translated Text] Millions of Russian citizens are failing to receive their wages on time. Among them servicemen. How can these problems that threaten to cause a social explosion be resolved? Russian Defense Minister Pavel Grachev answered this question specially for TRUD:

[Grachev] Undoubtedly the situation whereby many workers do not receive their wages on time exacerbates social tension in the country and needs to be immediately resolved. This is particularly inadmissible with regard to servicemen, who by law cannot have any other income and whose pay, given the specific nature of military service, is often the family's only means of support.

I do of course see a fundamental solution to this urgent problem in deepening reforms by creating a favorable investment climate, carrying out reorganization, and strengthening credit-money relations by bringing down inflation. Success cannot be achieved without boosting the level of organization and discipline within the country, restoring the disrupted production sharing between sectors of the national economy and enterprises, and combating corruption. The most important factor is more precise and substantiated forecasting

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the macroeconomic indicators showing the development of the state's economy, because forecasting miscalculations nullify many other efforts. That is particularly important when forecasting federal budget revenue and expenditure.

But those are strategic tasks. In my view, the top priority is to ensure that all executive organs unswervingly implement the law on the federal budget, adopt the 1996 federal budget this year, and boost the accountability of taxpayers and bodies responsible for the prompt and full collection of taxes and payments.

Tougher measures to ensure an extremely strict economy drive at state level and to sensibly reduce state spending are also essential. We cannot put an end to the highly acute problem of reciprocal nonpayments without eliminating its economic and financial roots.

Panskov Suggests Commercial Bank Loans to CIS

MK2809080395 Moscow KOMMERSANT-DAILY in Russian 26 Sep 95 p 5

[Unattributed POSTFACTUM report: "Government Proposes That Banks Credit CIS Countries"]

[FBIS Translated Text] The Russian Federation Government has made a proposal that commercial banks grant credits to CIS countries under state guarantees. This initiative was put forward by Russian Federation Finance Minister Vladimir Panskov in response to a request from the minister on cooperation with CIS countries, Valeriy Serov, that expenditures on credits to CIS countries be increased from 200 billion to 750 billion rubles in the 1996 draft budget. In Panskov's view, the state has no uncommitted credit resources. Moreover, considering the problems of credit repayment by CIS countries, the minister thinks it inexpedient to increase such credits.

Livshits: 'Antimarket Forces' May Slow Down Reforms

MM2809080795 Moscow IZVESTIYA in Russian 28 Sep 95 p 1

[Report by Vasiliy Kononenko: "A. Livshits: Antimarket Forces Could Try To Get Their Revenge in Fall"]

[FBIS Translated Text] Fall is the time when large amounts of money are paid out of the state budget. But the government can no longer pick the Central Bank's pocket. It has to walk on a knife-edge to avoid falling into the river of inflation. Have you tried walking on a knife-edge?... Most likely antimarket forces will exploit this situation in order to slow down the reforms in Russia.... In addition the elections are coming....

This is the forecast made by A. Livshits, assistant to the president for economic questions, at a meeting with journalists at the RIA NOVOSTI agency. In Livshits' opinion, the prime cause of the possible sharp confrontation between the executive branch and antimarket forces is to be found in a purely Russian habit: As soon as signs of even relative stabilization appear, certain forces feel the need to torpedo the policy of reforms and rock the boat again. Livshits also indicated the potential driving forces wrecking the reforms: He included in this category state enterprise directors who cannot adapt to the new conditions and who are not letting outside investors into their fiefdoms; bankers interested in seeing an unstable ruble rate; importers who need a low ruble rate; and state structures that would like to get their hands on the federal block of shares and become independent of the state. The presidential aide called all these forces "mutants of the transitional economy." He quoted the contents of a letter from a plant director to the president. "Fix the ruble rate at 8,000 to the dollar and we will beg God to help us all vote for you," this director wrote.

In Livshits' opinion, the situation is now critical. Can the government ensure the budget's income element, from which debts for state orders must be paid? It was in this context that the superplan for privatizing major enterprises, which are considered the state pie's tastiest morsels, was recently publicized. This plan was envisaged by budget schemes for the income element and should net the treasury 8.7 trillion rubles [R]. This plan, Livshits said, already has plenty of critics.

In the month of October, the problem of payments and privatization is bound to be discussed in the State Duma, and another attempt to topple the government cannot be ruled out. Especially as it has made many mistakes; in particular, it can be blamed for not coordinating actions to finance defense orders and protect citizens' savings and for the lack of mechanisms to detect the specific people to blame for delaying the payment of wages. Although as of today the state can be held responsible for only 15 percent of the unpaid R8 trillion, the population believes that there is only one debtor — the government.

According to Livshits, the president is not turning a blind eye to the situation that has developed and intends to carry out some reorganization of government structures. For example, Livshits said, why are the departments in charge of 98 percent of privatized enterprises needed?

Regarding the problem of expenditure on the war in Chechnya, Livshits admitted that this is a threat to financial stability. "An example of maintaining stability

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in a warring country is worthy of the Guinness Book of Records," he stressed.

Livshits Continues 'Voicing His Ideas'

MM2809113295 Moscow TRUD in Russian 28 Sep 95 p 1

[Unattributed report: "Aleksandr Livshits: 'Painful Decisions' Needed"]

[FBIS Translated Text] The economic situation in Russia has become critical, and the main reason for this situation is the "primitive" economic mentality of Russian market components, which is just as enduring as it was under socialism. That was the opinion voiced yesterday by Russian presidential aide Aleksandr Livshits during a meeting with journalists. According to him, a strange situation has developed: As signs of economic stabilization emerge "danger is arising as regards the future implementation of the reform course in Russia" this fall.

It is not just a question of a series of government mistakes, including failure to coordinate actions, "poor" funding of the defense order, poor accumulation of citizens' funds, and holdups with the payment of wages, Aleksandr Livshits said. He added that of the 8 trillion [rubles] in wage arrears the "Cabinet of Ministers is only responsible for 15 percent." "Other components of the Russian economy" account for all the rest.

The presidential aide sees two solutions to the current situation — either "the components of the Russian economy adapt to the new conditions of stabilization in the country" "or they eliminate those who are carrying out this stabilization." Aleksandr Livshits continued voicing his ideas by saying that on the eve of the elections people who have chosen the second option have a real opportunity: "It is time for them to settle scores and change course."

In order to preserve the reform course in Russia the executive must, according to the presidential aide, make "painful decisions" to lift certain decrees and government instructions tightening up taxation on banks. One cannot ask the banks to provide the authorities with secured loans while "at the same time turning the screws on the other side," and "the banks cannot be treated like a cow from which you cut pieces of meat for chops during milking," Livshits said. Among the top-priority measures that will make it possible to overcome the economic crisis he mentioned placing state bonds abroad and implementing a housing program based on a federal housing loan.

In addition the presidential aide believes that it is necessary to reorganize the government, some of whose institutions "have incomprehensible functions in conditions of privatization." According to Livshits, preparations are being made for "very major decisions linked with federal blocks of shares," which have been divided into three groups — assigned [zakreplennyy], mortgageable, and those due to be privatized. The economist voiced particular disquiet over the so-called assigned federal shares. According to him, the question has not been fully settled and it is not yet clear "what can be done with them" or who will win the right to handle them. Carrying out all the aforementioned measures along with a number of others will make it possible to stick to the course of economic stabilization, A. Livshits stressed.

Economic Security Panel Criticizes Draft Program

MM2709134995 Moscow ROSSIYSKIYE VESTI in Russian 27 Sep 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Sittings. Security — Also an Economic Category"]

[FBIS Translated Text] A sitting of the interdepartmental Russian Federation Security Council Commission for Economic Security was held yesterday. The participants examined a draft of the program "State Strategy in the Sphere of Ensuring Economic Security in the Russian Federation." The Ministry of Economics and other federal ministries and departments took part in the preparation of the draft, as well as representatives of Federation components.

Members of the interdepartmental commission were highly critical of the draft, although they did approve its basic concept. During discussion of the program many important amendments and addenda were made to it. It was decided to revise the draft in light of the observations made and to return to it in a month's time.

Finance Ministry 1996 Tax Proposals 'Not Far-Reaching'

MM2709142995 Moscow KOMMERSANT-DAILY in Russian 27 Sep 95 p 3

[Report by Natalya Varnavskaya and Sergey Kochetov: "In the New Year Taxes Will Be Paid in the Old Way"]

[FBIS Translated Text] Russia will enter 1996 with effectively the same tax system as it has now. The innovations proposed by the government for next year are not far-reaching. This was announced yesterday by Deputy Finance Minister Sergey Shatalov at a joint press conference by the Finance Ministry and the State Tax Service. It transpired that the State Tax Service is rather skeptical of some of the Finance Ministry proposals: in particular, the replacement of the excess

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

wage tax by a system of fines for exceeding average wage growth levels. According to Vladimir Gusev, head of the tax department, the new system of sanctions is very complicated and hard to implement in practice.

The greater part of yesterday's press conference was devoted to the government tax proposals incorporated in the corresponding 1996 draft budget. According to Sergey Shatalov, the Economics Ministry, the Labor Ministry, and the Finance Ministry have proposed retaining wage growth controls in 1996. Fines of between 50 and 100 percent of the excess were proposed with respect to enterprises whose wage fund grows "too fast." These sanctions are expected to be applied against enterprises that pay average wages in excess of 20 times the minimum wage per employee (at present this is approximately 1.1 million rubles).

It was also proposed to somewhat change the procedures for collecting value added tax [VAT], in particular, it is proposed that the VAT due on newly acquired fixed or intangible [nematerialnyye] assets be paid immediately after the acquisition has been made and entered into the balance sheet. At present VAT sums are returned in equal shares within six months. At the same time the VAT exemption on the export of technological equipment will be phased out. Sergey Shatalov noted that it discriminates against domestic producers.

Tax holidays for small businesses and joint ventures are likely to be terminated and the [tax] exemption on capital investments, which now makes it possible to leave up to 50 percent of profits untaxed (it is designed only for production investments), will also be limited. The exemption on the formation of reserve funds and analogous funds, which also reduces the taxable profit, may be lifted. This privilege will be retained only for the banks. The Finance Ministry also wants to tax "bad" loans and "excessive" — that is, in excess of Central Bank — interest rates paid by banks to private citizens. In effect these are latent wages and other forms of income that are currently untaxed.

State Tax Service Director Vladimir Gusev observed that his department does not support all of the Finance Ministry's new plans. In particular he criticized the proposal to introduce a new tax (fine) for excess wage growth. Such a step, in his opinion, will cause the taxpayers a lot of trouble. KOMMERSANT-DAILY's experts also believe that this is one of the Finance Ministry's most unhappy ideas: It will be a serious disincentive to investment in the Russian economy.

Decline in GDP Smaller Than Originally Thought

MM2809095095 Moscow IZVESTIYA (Financial Section) in Russian 28 Sep 95 p 1

[Report by Ye. Fedorova: "Fall in Russian GDP Not As Great As Previously Thought"]

[FBIS Translated Text] The international seminar "Indicators of Russia's National Accounts in 1991-1994 and Their Revision" was held at the Russian State Committee for Statistics [Goskomstat] 26-27 September 1995. The Goskomstat and World Bank joint working group, which presented a report on its activities at the seminar, also included independent Russian and foreign experts and consultants from Russian economic departments. As a result, GDP and its components in current and constant prices were revised in 1991-1994. The overall decline in GDP over the aforesaid period was 35 percent, not 47 percent as previously thought. The decline in GDP on 1991 was 14.5 percent in 1992, 21.9 percent in 1993, and 31.8 percent in 1994, whereas the official estimates had been 19.2 percent in 1992, 28.9 percent in 1993, and 39.6 percent in 1994. The Russian Government and the Goskomstat have been instructed to consider these alternative revised GDP figures as official until the next revision.

Chubays Seen Playing 'Into Hands of National Communists'

MM2709152595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 27 Sep 95 p 1

[Article by Fedor Sizyy: "People Losing Their Hair Over Chubays"]

[FBIS Translated Text] "The budget target for revenue from privatization will be fulfilled," Government First Vice Premier Anatoliy Chubays has announced. There can be no doubt that this time the chief reformer will keep his word. In Chubays' opinion privatization has entered the "expensive" stage, which speaks for itself. But the main thing is that a very tasty morsel has been provided as collateral for the commercial banks' credit — the state block of shares of 29 privatized enterprises. You only have to look at the list of "hostages" to be convinced that it does indeed represent far from the least sectors of the economy. The most important maritime ports and steamship companies (Murmansk, Novorossiysk, the Far East, Tuapse, Arkhangelsk), the largest oil companies ("Lukoil," "Yukus," "Surgutneftegaz," and "Sidanko") and metallurgical combines (the Novolipetsk, Oskol, "Norilskiy Nikel," West Siberian, and Chelyabinsk combines), timber industry complexes (the Bratsk, Arkhangelsk, and Kirov complexes), aviation associations (the aircraft de-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sign bureau named for P. Sukhoy, the Irkutsk and Ulan-Ude associations). In brief many of those who today are playing a major part not only within Russia's economic life but also in the international market. If, as Chubays asserts, there will still be enough state property in the country for some years if not decades, then why have more or less stable economic players become a source of profit for the "new Russians'" thick wallets?

By the end of November 3 trillion rubles [R] should already have reached the state budget, which attests to the haste with which the decision was made. Incidentally, initially these giants were not included in the ranks of those for whom a repartition of ownership was expected this year. It was planned to put bankrupt companies up for auction, which accords with the elementary logic of economic reform. That has not happened. In my opinion the reason is that Chubays' enormous army is incapable today of implementing its leader's declarations in practice. If we return to the term "expensive" privatization, then we must simply admit that voucher privatization is nothing but a stage for its impoverished participants. Chubays has said aloud what a few of his opponents have in fact accused him of. Incidentally, we should pay more attention to Anatoliy Borisovich's terminology. What is the worth of his statement about "the former defense industry?" Today one sector has vanished into oblivion, tomorrow the same fate awaits the metallurgical industry and the oil and gas complex. And so on until we are not a long way from the "former" Russian economy....

It is also of some importance that the echo of the banking crisis will not die down for a long time. That means that the commercial banks cannot be real creditors of the state independently, without outside assistance. In fact there is no bank in the country in which the situation can be assessed as even satisfactory.

And if someone today is trying to play into the hands of the national-Communists then it is Anatoliy Chubays who has done this more than promptly.

Glazyev Urges Government To Sell Shareholdings

MM2809092095 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 2

[Article by Sergey Glazyev, chairman of the State Duma Committee for Economic Policy: "Either State Debt or Investment. Linkage Between Defaulting in Industry and Interbank Loan Crisis Quite Obvious"]

[FBIS Translated Text] In our assessment, the tough monetary policy to artificially contain the money supply has led our economy into a situation where defaulting and foreign exchange — used on an equal footing with rubles to service domestic turnover in goods and services — have become elements of the monetary base.

Under these circumstances the reserves for further increasing state debt have been virtually exhausted. After all, government expenditure to service that debt (interest payments) is set at twice the level of health expenditure, for instance, in the draft 1996 budget. Consequently, the state "pyramid" short-term bond is close to its peak. If banks find it necessary to sell state short-term bonds back to the Central Bank, why buy them in the first place?

It seems to us as though the president's 8 September directive on Central Bank funding of the budget deficit and the Pension Fund to the tune of 2 trillion rubles was only to be expected, and that it is just the beginning.

As for the "rain of dollars" over Russia and the money belonging to major bank customers, I would not differentiate "new Russians" and the funds they have brought into the country from the savings of citizens inside Russia. There are only three ways to use citizens' savings (in the broad sense): to keep them abroad (which is what has happened in recent years); to transform them into investment (which is what we would all very much like to happen); and to "drag" them into the servicing of state debt (if the bank where they are kept uses them to buy state short-term bonds and federal loan bonds). The last-named route would mean that they were effectively liquidated — since funds which could be turned into investment are consumed by state short-term bonds. This outflow of investment reduces the tax base, making it difficult to service state debt without new borrowings. And the day is not far off when this financial "pyramid" will absorb half of the money in circulation, with all the ensuing consequences.

Constraining the dollar rate "at all costs" against the backdrop of continuing inflation is unjustifiable. It has already made even timber industry products no longer profitable on the foreign market. Another few months of this practice and we will only have one profitable product left in world markets — gas. And domestic production will be simply crushed by imports, which are continuing to get cheaper in relative terms. This situation is creating strong prerequisites for a real outflow of financial resources from the country owing to the lack of any profitable avenues of investment. It seems as though the government has one liquid product left which will not be entering the marketplace — the state shareholding in privatized enterprises. By selling those shares, the government would substantially strengthen its financial position and be able to meets its state loan obligations for a while without any new borrowings.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

KOMMERSANT Discusses Sale of State-Owned Shares

954E1471C Moscow KOMMERSANT in Russian
No. 33, 12 Sep 95 pp 25

[Unattributed article: "Menatep and the State Are Lovingly Privatizing Each Other"]

[FBIS Translated Text] Another method of disposing of the state share of stocks—exchanging them for commercial banks' stocks—has been more or less clearly outlined recently. Under this scenario, however, instead of money, the state obtains control over enterprises it seemingly lost after privatization.

The State Buys Stock of the "First Private Bank"

After "Black Tuesday," when the banks' culpability in the collapse of the exchange rate of the national currency was being discussed in the government, it was hard for bureaucrats not to ask themselves the question: "Can several commercial banks' playing the market really defeat the Central Bank? Where does such strength come from and what will happen if they decide to engage in another game?"

Apparently, it was then that a decision was made to acquire a large block of stocks of commercial banks and hence make them more controllable. This is how it came about (against the background of Sberbank's [State Savings Bank] privatization) that the government began to work out a blueprint for nationalizing other banking structures.

It is symbolic that the bank that was chosen was Russia's first joint-stock bank—Menatep. Although, of course, this was not a decisive factor in choosing the bank. Judging by all the signs, Menatep's attraction for the authorities was the fact that it holds a controlling, or close to it, share of the stock of more than 80 of the largest Russian enterprises, many of which (such as, for instance, Azisma, Apatit, or Steklovolokno) are unquestionable leaders in their industries. Besides, Menatep is "the most authorized" bank in Russia, participating in many federal and municipal programs.

It Proved Quite Difficult To Come to an Agreement

Negotiations with Menatep began in December of last year. Presumably they were successful—otherwise how can one explain that by the end of the month a draft of the corresponding decree had already been prepared, and all the formalities were expected to be completed within a month. In particular, interested federal agencies were to present by then for the government's approval an agreement with the bank regarding the procedures, time frame, and terms of purchasing the block of stock, as well as the receipt and utilization of dividends on the bank's stock. It was stipulated from the start that state representatives on the bank's board of directors will have right of veto on all issues affecting the interests of the state.

Another result of the negotiations between the bank and the government was the bank's fifth issue of stock, registered in January, which increased Menatep's paid-in capital 2.5-fold—to 100 billion rubles. The terms of subscription specified from the start the possibility of paying for one-sixth of the new issue stock (10 percent of the paid-in capital) by "material assets" and Ministry of Finance internal foreign currency bonds—the bank took into consideration the fact the government does not have a whole lot of "live" money.

It came out, however, at that point that the government decided to change the rules of the game and blocks of privatized enterprises' securities began to be mentioned as payment for the stock. In principle, this method of mutual payments is beneficial for both sides. The bank can get the stocks it is interested in, while the state does not have to spend budget funds. In addition, the state—through its representative on the board of directors—de facto continues to exercise control over the transferred blocks of stocks.

Changing the deal's mechanism required additional negotiations. An agreement in principle was reached only by the beginning of summer: The GKI [State Committee for the Administration of State Property] sells state-owned shares to the bank and then buys with the proceeds 9 percent of Menatep's stock. What remained was apparently a trifling matter: decide at what price, how much, and which stocks will be transferred to the bank. However, at this stage the negotiations stalled again.

Menatep needed the stocks of enterprises that were either already part of its FPG [financial-industrial group] or those that were not but were of potential interest. According to Aleksandr Yashechkin, chief of the customer service department of Menatep's investment administration, the bank needed stocks of specific enterprises in nonferrous metallurgy, chemical and food processing industry, and the construction complex. It turned out, however, that this encroached on the interests of the industrial lobby, since the enterprises in question were the leaders in their industries. Therefore, nearly every step at the negotiations had to be checked against the opinion of numerous bureaucrats, enterprise directors, etc.

Meanwhile, it looked like the negotiations had shifted to the highest level. At least, GKI Deputy Chairman Alfred Kokh told KOMMERSANT that currently the GKI is not conducting any negotiations with Menatep.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

It is possible, though, that the functionary is bending the truth somewhat....

The State Serves as a Trademark

It seems that the state's position is more or less clear. But why would the bank need it? Especially considering that Menatep's proposal to buy blocks of stock from the government was made practically simultaneously with the government's similar proposal to the bank. Interestingly, the banks proposed to sell bigger blocks than the government eventually agreed to buy from them. For instance, National Credit's Deputy Chairman Aleksandra Pokrovskaya told a KOMMERSANT correspondent in March that the bank expected the state to acquire 20 percent of its stock (the state eventually agreed to acquire only 16 percent), and the aforementioned Menatep, according to its head Mikhail Khodorkovskiy, was counting on selling 15 percent.

The reason the banks name is that the state is purchasing their stock because of the need to monitor state funds going through commercial banks. If this is an unalterable condition set by the authorities, one can understand the banks that do not want to be left out of the flow of budget money.

The banks, however, apparently also have other motives in wanting to see the state among their founders. For instance, according to Khodorkovskiy, when Menatep attempted to expand to foreign markets, it felt the pressure from the foreign mass media, state structures, and special services. In December (right before the beginning of the negotiations) THE WASHINGTON TIMES accused Menatep of connections with the mafia. The bank at the time was conducting negotiations on attracting Western investors to its enterprises. One would assume that it needs to have the state among its stockholders as a "trademark" of sorts.

Railroads To Sell Shares, Have Debts Offset

MM2809092995 Moscow ROSSIYSKIYE VESTI in Russian 28 Sep 95 p 1

[Unattributed report under the "In the Corridors of Power" rubric: "Instructions. Mutual Offsetting of Debts Solves Sectors' Problems"]

[FBIS Translated Text] Russian Government Head Viktor Chernomyrdin has instructed his first deputy, Anatoliy Chubays, to offset debts between the federal budget, the Ministry of Railways, and the Ministry of Defense. The latter has run up a debt of over 1.5 trillion rubles to the railroad workers this year alone. The premier has also agreed that it is necessary to review the level of restrictions on fare increases applied to the Ministry of Railways; this is going to be implemented in the near future for monopolists by a Russian Federation government decree. The government also by and large supported the Ministry of Railways' idea of issuing sector securities to attract investments into the industry.

Tight Finance Policy Blamed for August Bank Crisis

MM2809091095 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 3

[Article by Mikhail Delyagin, leader of the Russian President's Analysis Administration Economic Problems Group: "We Anticipated It, But We Were Wrong About the Timing. The Banking Crisis That Had Developed in Secret Since 1993 (When More than 130 Russian Banks Went Out of Business) Has Moved Into an Open Phase"]

[FBIS Translated Text] The main cause of what has happened is the fact that most banks are predominately geared to short-term speculation. Before the crisis worsened, medium-term loans (of three months and more) were cheaper than short-term loans, as a result of which the banks were issuing loans for three or six months and were forced throughout this period to constantly borrow money in the marketplace.

Finally, the position of small and medium-sized banks has steadily deteriorated as competition has developed — they simply did not have the resources to compete with large banks with a good reputation.

It would be apposite to reproduce a chronicle of the August events. The crisis blew up like lightning.

Thursday, August 24: It had become clear that what was happening went beyond short-term fluctuations. By midday a number of the country's biggest banks had partially stopped meeting their obligations. Panic set in on the Moscow financial markets, and there were intensive conferences at the Central Bank and the Finance Ministry, as a result of which the state bought from the banks a first tranche of securities worth 600 billion rubles [R].

Friday, 25 August: The banking panic continued. In the morning V. Chernomyrdin chaired a conference which made him late arriving in Maloyaroslavets. A. Chubays, T. Paramonova, and S. Yegorov held a joint press conference to announce that the crisis had been overcome with the help of a package of measures. The list of anticrisis measures included the buying up of securities (mainly state short-term bonds) worth R1.6 trillion (including Thursday's R600 billion), a seven-day centralized loan of R300 billion (later increased to R700 billion) to the most reliable banks, the priority implementation of budget payments serviced by the commercial

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

banks, and, finally, the accelerated processing of transactions by the Central Bank. It was then announced that the crisis had been overcome.

Monday and Tuesday, 28-29 August: The Central Bank was actively selling off the securities it had bought the previous week for at least as much as it had paid for them.

The speed of the state's actions shows that we had anticipated the August events and were ready for them. Indeed, the crisis came into the open at 1100 Thursday morning, and the first crucial action to overcome it was taken the same day. Even T. Paramonova herself had repeatedly said that a crisis was inevitable in September-October.

But the crisis actually arrived earlier and more severely. Why was that?

The banking crisis was tied up with the excessive tightening of financial policy. The Central Bank's refusal to issue loans to cover the budget deficit as of 1 April 1995 resulted in a sharp tightening of financial policy and led to the gradual development of a crisis affecting the country's entire financial system.

The August crisis was not a local short-term phenomenon, but part of a systemic crisis brought about by a tough financial policy during a transition to a depressed phase of development.

Menatep Head on Banking, Monetary Concerns

954F3542A Moscow INTERFAX-AIF in Russian
18 Sep 95 No 12, pp 1, 9

[Interview with Menatep Bank Chairman Mikhail Khodorkovskiy by unidentified correspondent under the "Opinion" rubric; place and date not given: "'We Will Be Shocked When We Learn Which Banks Are Collapsing,' Warns Menatep Head Mikhail Khodorkovskiy"]

[FBIS Translated Text] Mikhail Borisovich Khodorkovskiy was born in Moscow on 26 June 1963. In 1986 he graduated from the Imeni Mendeleyeva MKhTI [Moscow Chemical-Technical Institute] with a major in technological process engineering. A year later he became the director of the Center for Intersectoral Scientific-Technical Programs (TsMNTP)—one of the founders of the Menatep association.

In April 1989 M.B. Khodorkovskiy became the chairman of the Commercial Innovation Bank for Scientific-Technical Progress (KIB NTP), which included Menatep association enterprises.

Since 1993 he has been chairman of the board and chairman of the board of directors of Menatep bank.

In September 1995 he became chairman of the board of directors of the Menatep group's Rostprom management company, set up to manage blocks of stock, as well as the manufacturing, financial, and trade activities of privatized enterprises.

M.B. Khodorkovskiy is married and has two children.

[Question] Did the halt in operations on the Moscow interbank market at the end of August come as a surprise to you?

[Khodorkovskiy] A complete surprise! On Wednesday (23 August) there were no signs of any crisis whatsoever. We did know which banks were bankrupt and did not give them any money. But we did not think that someone was still giving them money, and it turned out that they were—and how!—and the money was just sinking into a black hole.

On Thursday (24 August) a small deficit at first emerged on the interbank credit market—300 billion rubles [R]—but by the evening this figure had reached R1.3-1.8 trillion. And on Monday—already somewhere around R3-4 trillion.

To be honest, I expected the rates to go up, but not for the market to grind to a halt. There was a real panic, and the Central Bank should have dampened it. But it reacted belatedly.

[Question] How do you appraise overall the Central Bank's role during the crisis?

[Khodorkovskiy] After a moment of confusion, which I described, the Central Bank's actions were adequate. Unfortunately, they were short-term measures, while no long-term steps have been taken to this day. Despite the fact that they are obvious to anyone.

[Question] Which are?

[Khodorkovskiy] First, reserve requirements (the mandated volume of reserves?) in the current conditions are excessive. And if they cannot be lowered, at least we should be permitted to use them, maybe with interest.

Second, taxation should be revised—both direct and indirect—including, by the way, the aforementioned reserve requirements. The taxation is not commensurate with the current profitability level of banking assets, which declined considerably as compared with, for instance, the end of last year. In my opinion, the current level of taxation is 30-50 percent higher than it should be. Many banks are simply operating at a loss.

And third, compulsory reorganization of a lot of banks is necessary.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Question] Are you trying to get your ideas across to the Central Bank and the government?

[Khodorkovskiy] This is very difficult. On many issues we manage to lobby banks' interests quite easily. But as soon as the issue involves taxation....

We are being told that we are paying huge salaries, and therefore we can find the money. Even the president himself (Boris Yeltsin during the recent meeting with bankers—Ed.) said that one of the causes of the irritation that is brewing in society against bankers is their salaries.

What they do not take into account, however, is that some specialists whom we pay really big money are "convertible" specialists. Today he walks out of my door, and tomorrow he walks through the door of a foreign bank, of which there are already a lot in Moscow. And not even necessarily in Moscow—in Zurich, in London, anybody will hire him. And I simply cannot pay him less than he will be paid there.

And the second thing I wanted to draw attention to is that the salaries of many top managers in bankrupt banks on average are twice, and sometimes three times, as high as in normally operating banks. Because when I pay, I think about the bank. And I pay as much as I can afford, while for a bankrupt bank it no longer matters.

When they begin to get closed down, you will see that salaries in the remaining banks are not that high. And it will come out that average salaries here are no greater than in the power generation sector, after factoring in their benefits.

If salaries are uncompetitively high, you can be sure that it is not a serious bank....

[Question] So anyway, are there not too many banks in the country now?

[Khodorkovskiy] You cannot say that 2,000 banks is a lot. Or not a lot. The problem is that all the currently existing banks want to become interregional, and the first thing they do is try to open a branch in Moscow. If they cannot do so in Moscow, they go to St. Petersburg or, for instance, Yekaterinburg....

In my opinion, however, and in the opinion of my colleagues, 50 strong interregional banks would be enough for the entire country. This is the maximum, and this is enough.

Keeping in mind, however, that our country is huge, and that the most important thing for a bank is to be close to its clients, there could be 2,500, 3,000, or 10,000 regional, local banks. Even in every village—there is no problem with that. But those who try to set up an interregional bank without the personnel, the skills, and the proper resources should be slapped on the wrist.

[Question] So, how do you think the banking crisis will end?

[Khodorkovskiy] I think that when you learn which banks are collapsing, you will be shocked. Then we will have the last laugh....

The Central Bank is currently facing a choice: Name the bankrupts and begin the procedure of their liquidation, or help them "on the sly"—which, however, will eventually become public knowledge anyway.

By the end of this year many banks will have to show losses on their balance sheets, and then we will see how and from what sources they had been covered. As an example, Bank X may stay afloat indefinitely on account of Central Bank credits. But since the Central Bank has no right to provide credit at an interest rate lower than the discount rate (180 percent), and it is almost impossible to lend money at a higher interest, the bank's losses inevitably will snowball.

[Question] And why will we "have the last laugh?"

[Khodorkovskiy] Because the esteemed Central Bank and the staff of some former specialized banks have been saying for the past seven years that there are themselves, the banking elite, and there are nouveaux riches, who are not really bankers and do not know how to work. This is what they have been saying until very lately.

When the bankruptcies begin—then we will see.

[Question] That is, the main division line in banking runs along the line "old Russians"—"new Russians"?

[Khodorkovskiy] No, there is already some line-crossing, so to say. And what some call "the struggle for spheres of influence"—this is happening between perhaps 50 banks. At the same time, between ourselves we always quite easily draw the lines and make deals.

[Question] In your opinion, why does public opinion consistently link the banking profession with crime?

[Khodorkovskiy] It so happens in our country that the entire real economy today is reflected through the banking sector: If you want to understand what is happening in the fuel and power generation sector, look at certain banks. If you want to see a reflection of the processes taking place in ferrous metallurgy, I will name you different banks.

Generally speaking, the process of criminalization of banks in reality is only a reflection of the criminalization of today's entire economy.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This is the problem of the state economic policy, which currently is aimed solely at collecting the maximum amount of money for the budget, while distributing the income produced in society.

There is also an objective base that creates fertile ground for crime: the colossal problems of "company towns," which do not receive wages for months; rising unemployment; and so on.

But the main thing, of course, is the economic policy. Speaking about banks, the current policy presents many with a choice: comply with the current legislation and close their doors, or not comply—like everybody else—and live quite well.

I am a strict adherent of complying with the law. Because as soon as you stop complying with the law, even the most stupid law, you immediately become a criminal structure. Because you cannot stand with one foot inside the law and the other outside it.

Look at what is currently happening in the economy: Huge sectors are being simply pushed out of the realm of the law. Huge enterprises, employing up to 5,000 persons, operate for three years at a stretch with frozen bank accounts. The money is simply handled in cash, through the cash box. Nothing to it! And there is simply no state policy with respect to these enterprises—nobody is even thinking about what to do with them.

[Question] How long can this continue? Or has the process become irreversible?

[Khodorkovskiy] One of two things: Either the state moves away from such "policy"—and then, so to say, you can nail those few that were purely criminal; or, if entire cities become criminal, the state will finally become criminal as well.

As to irreversibility.... I think that not all has been lost. Although traditions are uncommonly strong in Russia.

[Question] Will Menatep participate financially in the elections?

[Khodorkovskiy] In a "serious sense"—no. I gave up on the idea of taking power when I was still in the Komsomol [All-Union Leninist Communist Youth League]. We will help individual people with "small change," so to say.

[Question] Who?

[Khodorkovskiy] Professional lawyers and economists.

[Question] Do you think they have a chance of making it to the Duma?

[Khodorkovskiy] Well, sooner or later people will stop electing to the Duma these.... Besides, we know good ways of effective support.

[Question] Will you personally vote?

[Khodorkovskiy] Yes, I will vote, because now I know what happens when the working majority does not turn out for the elections, while pensioners do. Everybody regrets it afterwards. And I do not want to live the way pensioners want to live.

[Question] You participated in the preparation of proposals on transferring to the management of a consortium of commercial banks shares of privatized enterprises that remain in state ownership. How was this idea born?

[Khodorkovskiy] To a large extent this was caused by a situation that developed during the conduct of so-called investment auctions. This is when responsible and irresponsible people gather, and the latter offer much more. And then, when it turns out that the other guy really does not have anything, you have already lost. This was the only way things were going.

In the end, we also began to make unrealistic bids. For instance, we promise to give them "a zillion" in investment because the other guy, who has nothing, offers "half a zillion." That is why we decided to offer Chubays a way to change the scheme and solicit bids from those who can stand behind their obligations.

[Question] Do you still believe that the amount mentioned—R9 trillion in the form of loans to the government against the pledge of stocks—is realistic?

[Khodorkovskiy] Why not? Quite realistic—it depends on the price.

[Question] Do you have a list of specific enterprises whose stocks Menatep would like to acquire?

[Khodorkovskiy] It exists, of course, but I will not tell. The important point is that I am ready to play a serious game to acquire large, practically controlling, shares of those enterprises of whose operations I have enough knowledge.

[Question] Can you formulate your goal as a professional banker?

[Khodorkovskiy] Yes. I want to build a large transnational corporation that could in some respects become a world leader. I believe that this is interesting and would be of benefit to everyone. If I build such a system, you can say that I will consider my professional mission fulfilled.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Power Official Explains Problems at 'YeES Rossii'

MM2709144495 Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 pp 1-2

[Report by Sergey Ptichkin: "Power Workers Do Not Want To Be Scapegoats. 'End of World' Was Possible! Even Without Quotation Marks, 'YeES Rossii' Russian Joint-Stock Company First Vice President Viktor Vasilyevich Kudryavyy Believes"]

[FBIS Translated Text] The previous issue of ROSSIYSKAYA GAZETA drew attention to repeated cases of power at defense installations being cut off. The government has even been forced to issue a special directive prohibiting the practice.

For this reason it was interesting to meet with one of the country's main power "villains" — Viktor Kudryavyy, first vice president of the "YeES Rossii" Russian Joint-Stock Company, and listen to his arguments.

"Yes, I perfectly understand the current difficulties," Viktor Vasilyevich said in a calm but firm voice. "Everyone owes money to everyone else, and nobody has any money of their own. But there are two major differences between us and everyone else. First, we cannot stockpile the power we produce — it has to be used straightaway. Second, after all the destructive reforms that have changed the face of the economy, we are the only sector left whose charges are strictly regulated — in other words, we cannot arbitrarily crank up prices and store up some capital for the future.

"Consequently, payment is far more important to us than it is to the miners, with whom a considerable conflict is brewing. Although I am in no way playing down their very serious problems.

"You would think that the power workers were fleecing everyone and did not want to pay anyone. Somebody has put about the story that the fuel and energy complex is the richest sector in the country. But this complex has long been purely theoretical — none of its components is wholly independent of each other, and relations between them are complex, to put it mildly. The power sector is on the brink of poverty, although it is hard to make people believe it.

"Where does our great wealth come from? A huge number of very energy-intensive structures are for some reason included in the concessionary category — that is, they are definite loss-makers as far as we are concerned. And these concession recipients are also inveterate defaulters. The Navy has not paid us a single ruble since the start of the year! But we live in the marketplace, we have to pay for everything ourselves — the miners do not want to give us their coal on credit, the 'Gazprom' Russian Joint-Stock Company wants rubles for its product rather than having its debts written off, nobody will give us fuel oil for nothing, and repairing worn-out equipment costs money too.

"WE DON'T HAVE ANY MONEY TODAY! Yet winter is just around the corner, and there is very little time left to replenish fuel resources for GRES's [state regional electric power stations]. If the government itself had to regulate who got electricity and who didn't, it would simply have to switch immediately to the system of payment for our 'product.' Energy costs rise rapidly during the winter, and, in full accordance with the declared laws of the market, it would be logical to sharply increase seasonal charges to all concession holders for the energy they consume. That is the only way to encourage the introduction of energy-saving technology, and the only way for Russian industry and power generation to survive.

"I am in no way dramatizing the situation, but the violation of financial stability in our sector under, I would reiterate, market conditions is leading not to our bankruptcy, but to the collapse of the state. Virtually all Russian GRES's are operating without any minimum fuel stocks — even the stations around Moscow could grind to a halt at any time. What would this mean in the winter period?

"Returning to the government directive preventing power from being cut off to a number of strategic Army, Navy, and military-industrial complex installations, I can say that there have been no disasters yet, but one could happen — perhaps despite our best intentions. Yes, all over the world there are highly dependent power consumers who are supplied under any circumstances. Only nowhere are they given concessions, much less allowed to default on payment. Such customers pay double or even triple the rate — and in advance, to boot."

Of course, the problems of the Russian power industry are not restricted to nonpayments, and there will still have to be a serious discussion of them. When we were nearing the end of our discussion Viktor Vasilyevich was told that news had come in from Kursk Oblast that a tractor had brought down a LEP 750 pylon — one of the highest-capacity power lines. By current standards it is a very major accident, and it would once again have to be rectified out of the "YeES Rossii" Russian Joint-Stock Company's meager resources.

Yes, our fatherland is going through hard times — all of us are. But nobody will solve our problems for us, just as no one will decide to offload them for us onto someone else.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The power workers are prepared to resolve all disputes while taking account of the interests of all parties and the interests of the state. Today, 27 September, the "YeES Rossii" Russian Joint-Stock Company is staging a conference "On the Progress of Power Generation Enterprises' Preparations for Winter, on the Tasks of Stabilizing the Financial Situation in the Sector, and on Tariff Policy." Representatives of the biggest energy consumers and leaders of kray and republic administrations have been invited, and First Vice Premier Oleg Soskovets is scheduled to speak.

KOMMERSANT Reports on Export-Boosting Edict

954E1471A Moscow KOMMERSANT in Russian No. 33, 12 Sep 95 p 21

[Article by Nikolay Bardul under the "Topical Subject/Industrial Development" rubric: "Double-Bottomed Edict"]

[FBIS Translated Text] By issuing the 31 August edict "On Export-Stimulating Measures," the president acknowledged an obligation to exporters who found themselves faced with rising domestic inflation and an unchangeable foreign currency exchange corridor. This rapid-response action may also be interpreted within the framework of the industrial policy. On the other hand, the mechanism selected for lowering export tariffs, as well as the proposed compensation for budget losses, also permit characterization of the edict as a purely political document directly related to pre-election battles.

The President Wishes Smooth Sailing to Exporters...

The first aspect of the president's decision—"stimulating exports." As usual, incentives will be selectively applied. It is too early, however, to raise the drumbeat on the subject of long-awaited support for export-oriented production. Adoption of the edict was caused, alas, not by a strategic desire to make export a priority direction in industrial policy but by completely different reasons. Besides, the selection of exporters permits one to draw conclusions going far outside the bounds of the actual industrial policy.

The original cause of the presidential edict is the foreign currency exchange corridor. The edict is tangible proof that it has already turned from a symbol of the Central Bank's and government's victorious struggle against the dollar into a deity demanding sacrifice. Naturally, from the federal budget.

Sacrifice in the form of reducing duties has been made. Apparently not quite the kind exporters had been counting on, though. The announced reduction in export duties by an average of 30 percent applies only to certain commodities. The emphasis has been placed quite precisely, though. The priorities: VPK [military-industrial complex] output, and exports of ferrous metals, fertilizer, and cellulose. The tentative calculation of total gain for exporters of these commodities is shown in the table. The top winner, however, is the VPK. With annual exports of military equipment valued at $8 billion, and export duty was 15 percent of the customs valuation, taking into account the now-repealed duties on VPK products, exporters' gains are estimated to be about $37.5 million a month.

It is very noticeable that the reduction of duties does not affect the favorites (with the exception of arms-makers): The government decree does not mention oil, gas, aluminum, copper, or nickel. One can only explain this fact on the basis of the following logic. First, so far the state of world markets remains on the whole in favor of traditional Russian exporters. Second, in the past both the oil industry and nonferrous metals exporters received sufficient preferences, and now the time has come for the less fortunate to receive them. Third, a simultaneous reduction of duties on Russia's main export commodities probably is simply too much for the budget to bear. Obviously, this logic does not at all satisfy the exporters themselves, and the reduction in duties does not compensate for their losses on the exchange rate.

...And Shakes an Admonishing Finger at the Prime Minister

Thus, both the exporters and the budget are losers. Meanwhile, the rules of the game around it are as follows: You cannot just take something out. That is, in order to take, you have to indicate specifically where you want to take it from. And the decision was made to take, at least according to First Deputy Prime Minister Anatoliy Chubays, from the money of TEK [fuel and energy complex] enterprises. The idea is to introduce an excise tax on pumping oil through pipelines (the Ministry of Economics proposal), as well as raising excise taxes on gas (the Ministry of Finance joins the Ministry of Economics on this). In addition, a repeal of preferences on forming Gazprom's stabilization fund is being prepared.

The offensive on the TEK continues. The Ministry of Economics is nurturing plans to take under the control of the Federal Energy Commission (FEK) access to pipe mains, pushing aside the pipe's current owner—the Mintopenergo [Ministry of Fuel and Power Generation]. The person envisaged to head the FEK is Anatoliy Chubays, who by now has fully established himself in the role of TEK persecutor. In any case, it was he who, chairing the government commission on improving

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

payments and clearing, threatened unambiguously that personnel changes may befall the Mintopenergo and Gazprom if TEK enterprises do not reduce their arrears in transferring taxes to the budget before the end of the year. These arrears are estimated at 7.5 trillion rubles. The budget situation does not permit putting up with the extra fat of oil and gas captains, who on top of that ignore tax discipline. It is another matter that most likely, in keeping with the old tradition of social justice, what has been taken from the still-strong will be given to the definitely weak, but this is a different story, although it is directly related to industrial policy. The TEK, however, is not going to stay on a diet for long. It has already been promised a reduction of export duties, so it may regain some of the fat after all.

The offensive against the TEK, however, does not fit in any way into the concept of export support, since the TEK remains the most stable source of foreign currency revenue. And therefore the oil and gas industry's constantly increasing fiscal burden can be considered more a purposeful action aimed at undermining the prime minister's support base, which has always been (including during the building of Russia Is Our Home) the TEK as a whole and Gazprom in particular.

Table. Exporters' Estimated "Duty Margin"

Commodity	Exports to Far Abroad in July 1995 (thousand rubles)	Exporters' potential monthly gain from reduced duties ($)—*
Pig iron	115	147,200
Cellulose	89.4	343,296
Fertilizer	1,292.5	1,654.4

*—The gain is calculated as the difference between the old and new export duties.

50 Million Tonnes of Oil Exported in Past 8 Months

MK2809102195 Moscow SEGODNYA in Russian 27 Sep 95 p 4

[Unattributed ANI report: "In January-August, Russian Enterprises Exported 50.9 Million Tonnes of Oil"]

[FBIS Translated Text] Sources at the Russian Federation Fuel and Energy Ministry said that in January-August 1995 Russian oil-producing enterprises exported 50.948 million tonnes of crude oil to the "far abroad."

According to the ministry, the largest volume of oil (over 16.9 million tonnes) was exported via the Novorossiysk sea port. "Rosneft," a state enterprise, and "LUKoil," "Surgutneftegaz," and YUKOS, oil companies that in January-August 1995 sold 12.9, 7.8, 5.7, and 4.1 million tonnes of oil respectively on the foreign market, continue to be the largest exporters of Russian oil.

At the same time, experts note that in the summer months there were no oil deliveries for state needs. In 1995, while total oil exports for this purpose amounted to only 1.2 million tonnes, exports under intergovernmental agreements amounted to 3.7 million tonnes of crude oil.

Agriculture Minister Nazarchuk on Land Transactions

954F3541A Moscow INTERFAX-AIF in Russian No. 11, 11 Sep 95 pp 1-2

[Interview with Agriculture Minister A.G. Nazarchuk by Vladimir Gerasimov and Konstantin Shcheglov; place and date not given: "The Unrestricted Buying and Selling of Land Would Result in Tragedy"]

[FBIS Translated Text] Aleksandr Grigoryevich Nazarchuk. Born in 1939, an agronomist by education. He worked in the agriculture of Altay as chief agronomist and director of the Guseletovskiy and 53d Oktyabr sovkhozes. From 1975 through 1987 he held various positions in the party and soviet authorities at the rayon level. In 1993 he was elected deputy of the State Duma on the federal slate of the Agrarian Party of Russia [APR] and became a leader of the APR faction in the State Duma. A. Nazarchuk's appointment at the end of October 1994 as minister of agriculture and food, which occurred several hours before the vote in the lower house on the question of confidence in the V. Chernomyrdin government, was seen by observers as a concession to the opposition. The minister makes no secret of the fact that he has a "dissenting opinion" on many of the decisions adopted by the cabinet.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Question] What is your view of Premier Viktor Chernomyrdin's initiative concerning a referendum on private ownership of the land?

[Nazarchuk] The Russian Constitution records that the land may be state, municipal, or private property. It is incomprehensible to me, therefore, what kind of referendum we could be talking about. Especially since the state now retains only 10-15 percent of the land.

The Land Code, which the State Duma has passed in its first reading, also records that citizens and legal entities may own plots for agricultural production, individual housing and garage construction, dacha construction, and private subsidiary farms.

It is obvious that it is now, in fact, a question of something else—the buying and selling of agricultural land. And here I believe that we should not permit in Russia the unrestricted, totally uncontrolled buying and selling of land of an agricultural purpose.

Legal backing for the land market has not improved as of late. The present legislation in Russia is so confused and contradictory that no one even notices the speculation in parcels of land that is already taking place.

If we legalize the resale of land now, when a firm legislative base has yet to be created, this will result in tragedy for several generations. Now leasing, contracts of sale, and the mortgage are based on lawlessness to such an extent that the interests of the people working on their allotments would be seriously infringed. It could happen that these people would on account of financial difficulties be forced to sell their plots, for a pittance, what is more.

Agricultural land, as the main wealth of the country, should have a worth corresponding to this, and time and purposive efforts will be needed to determine this also.

It is frequently said that totally unrestricted ownership is essential so that the land may act as collateral, when credit is being obtained, for example. But can the same collateral convey the right to tenancy, the right to lifetime heritable tenure.

Another question arises also. Sixty percent of the population of Russia live in the cities. If this referendum is about the buying and selling of city and suburban land, then that is all right. But if it is a question of agricultural land, I am categorically opposed to a referendum in which the whole population of Russia would take part on an equal basis. I want this matter to be decided by those to whom the agricultural land should belong by right.

It is not, generally, ownership of the land that determines the efficiency of agricultural production but ownership of the results of one's labor. The task, therefore, is primarily to ensure that a person have the totally imprescriptible right to the results of his labor.

[Question] So the contract-of-sale restrictions should be, in your opinion, temporary, for all that?

[Nazarchuk] We are not talking about a categorical ban. In addition, inasmuch as the land here is within the joint jurisdiction of the Federation and its components, any region should have the opportunity to adopt its decision on this matter. Especially since the rayon-average land norms differ very substantially, and social and economic conditions are dissimilar. An all-Russia referendum for a solution of the land question is improper in principle.

[Question] The supporters of the unrestricted turnover of the land believe that a normal system of the seasonal allocation of credit to the agro-industrial complex cannot take shape in Russia without this. Do you agree with this way of framing the issue?

[Nazarchuk] Well, let's suppose that the right to mortgage the land had existed in Russia in 1994. The agricultural producers would then have obtained credit of 10 trillion rubles [R] at an annual 213 percent and would have to have repaid R18 trillion. But the actual payments, owing to the insolvency of the farms, constituted R1 trillion. Hence practically all the land would have to have been given to the banks for default on repayment of the credit and the interest on it. And they would have started to sell this land. And what would have happened after this?

This is in principle not a solution. The problem is that the agro-industrial complex is a branch which thanks to prices cannot cover expenditure on the production of the agricultural product and obtain income such as would make it possible to engage in expanded reproduction, to improve the land included. And until this matter is resolved, we shall resolve nothing via ownership of the land.

[Question] Does this mean that agriculture can exist in and of itself, and the market, in and of itself?

[Nazarchuk] There are several factors that are today, without regulation on the part of the state, preventing market mechanisms in the countryside showing what they can do. First, in Russia natural fertility is on average less than in Europe by a factor of two; second, our agriculture is three times more capital-intensive and metal-consuming and three times less efficient than there.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Of all the sectors of production, the returns on the capital investments in agriculture are the least. Consequently, the agro-industrial complex is unattractive for investors, and this is hampering the introduction of market mechanisms.

Nor have we yet created a competitive environment in the agrarian sector: Everyone is having a hard time here—both those who obtained 52 quintals of grain per hectare and those who have not obtained a harvest at all. This is destroying us also.

Were the credit and financial system normal, were the peasant to obtain on the strength of the grain credit at an annual 3-5 percent, then it could be said that a market mechanism was operating.

No one, I believe, would take issue with the fact that all the countries that are members of the European Union are market countries. Then let us establish for Russia also the mechanism of regulation of agro-industrial production of the EU, all the numerous subsidies, and the sums of compensation. Russia's peasants would need nothing more.

[Question] How do you evaluate Budget-96 from the viewpoint of the interests of the agro-industrial complex?

[Nazarchuk] Of the expenditure side of the budget it is contemplated allocating less than 4 percent for support of the countryside. Yet the Social Accord Treaty (which was concluded in the spring of 1994 by representatives of various political forces for stabilization of the situation in the country—INTERFAX-AIF) envisages these appropriations constituting not less than 10 percent.

We submitted 21 proposals in search of additional sources of revenue. Specifically, we proposed the introduction of a tax on the purchase of imported food in the amount of 3-5 percent to create a fund for financing the needs of the agro-industrial complex. But far from all these proposals were adopted.

We would like in the program of financing for next year, without "spinning out" the available financial resources, to distinguish four main priorities. First, more resources to be given for work on an increase in the fertility of the land, second, for an expansion of the leasing of equipment and the provision of the peasants with at least a minimum quantity of agricultural machines, third, for the support of the large-scale industrial animal husbandry complexes, and, fourth, for money to be given for "individual" highly efficient projects in the agro-industrial complex.

[Question] Has the increase in import duty as of 1 July had any effect yet?

[Nazarchuk] First and foremost, the price of the consumer basket following the introduction of the customs duty declined and, contrary to many forecasts, did not increase. Unfortunately, the production of agricultural products, animal husbandry products particularly, has declined in Russia to such an extent that we can no longer "cover" the big cities with our products. Some food has to come via imports, therefore.

Agrarian production in Russia will continue to decline. Next year, after five years of a reduction in the application of fertilizer, the fertility of the land will be even lower, the seeds will be worse, there will be less in the way of livestock and fuel.... The deteriorating situation in the agro-industrial complex could hinder stabilization in other branches of the economy since they will encounter a shortage of raw material.

This is why measures to form a civilized mechanism of state support are so urgent.

In terms of per capita food consumption we are today already at the Indian level and, if we do nothing, we could descend to the African level. But it should be borne in mind that we are not Africa and not India. We have, you will agree, a somewhat different climate.

[Question] What is your forecast for this year's grain harvest?

[Nazarchuk] We have already lost, considering the intermediate results of the harvesting, 12 million tonnes of grain compared with last year's level. In 1994 the country obtained 82 million tonnes of grain. So that if we ultimately obtain 70 million tonnes, we will have to go down on our knees to the grain growers.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

International Affairs

Article Assesses Ties With NATO

WS2709113895 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 22 Sep 95 p 3

[Article by Svitlana Bulanenko: "Ukraine and NATO: Partnership for What?"]

[FBIS Translated Text] *An individual program for cooperation between Ukraine and NATO was signed in Brussels last week. The Ukrainian Armed Forces have already gained some experience in teamwork with the North Atlantic bloc's troops by participating in events envisioned in the "Partnership for Peace" program. Within the framework of this program, a number of joint training exercises have been held not only in our country, but also at training grounds in the Netherlands and the United States. Even now a Ukrainian marine company is participating in a bilateral military training exercise of the Ukrainian and U.S. navies in the United States, which represent a logical continuation of the maneuvers held at the Mykolayiv test range.*

To Overcome the Complex of Distrust

NATO has existed for almost half a century now. During these years, West European states have gone through a long and expensive stage of standardization of military equipment, ammunition, and tactics in conducting combat actions. The "native" NATO members will now have to retrain and reequip rookies at their own expense. They are observing them, and simultaneously calculating how much it will cost them to admit new members to the elite NATO club.

Even before, the NATO armed forces uniting troops from West Europe and North America represented a multilingual army. Currently, the Polish, Lithuanian, and Ukrainian languages are being spoken at NATO military exercises. Soldiers from the former Soviet Army and their brothers in arms from former Warsaw Pact countries demonstrate excellent combat skills and discipline while participating in exercises under the "Partnership for Peace" program.

Officers from socialist camp armies once carelessly studied foreign languages and weapons of their possible enemies — countries of the "aggressive NATO bloc." They are now making up for the gaps in their education. Weapons with which NATO armies are armed no longer represent mere academic interest for them. There is hope that they themselves will soon receive such weapons and NATO's "rations." Within the framework of the "Partnership for Peace" program, Ukrainian servicemen now have an opportunity to become familiar with staff documents, which were previously studied in stringent secrecy, so to say. For example, two years ago one could not even imagine that our military experts would be able to study the secret AWACS system in detail. They are now shown equipment and instruments, and easily receive responses to all interesting questions.

In one of his speeches, Ukrainian Defense Minister Valeriy Shmarov noted that our colleagues compensate for our expenditures connected with participation in the "Partnership for Peace" program within the framework of bilateral agreements between Ukraine and the United States. The following question may arise: Why is the United States spending substantial amounts of money on attracting a neutral state to joint exercises? Colonel Oleksandr Kryvenko, a representative of the Ukrainian Defense Ministry in charge of issues concerning the "Partnership for Peace" program, has explained this as follows:

Ukraine is a large country that can be compared with France in terms of area; in terms of military capability, it comes third after the United States and Russia, and, additionally, has nuclear weapons. Since the times of confrontation between the blocs until recently, certain U.S. and Ukrainian servicemen maintained the complex of mutual distrust. This, of course, can be explained, though by no means should it affect official policy. To destroy the barrier that existed between us for decades, it is essential to cooperate. The Americans are observing us and studying our capabilities, psychology, and way of thinking. We, in turn, have the opportunity to learn about NATO armies, their weapons, staff work, and troop command system.... NATO, as everyone knows, was established as a counterweight to the bloc of countries from the socialist commonwealth, and now has to "change its orientation," due to the absence of the latter. The "Partnership for Peace" program demonstrated this change. Naturally, there cannot be talk about dissolving NATO — this would be not only too hasty in terms of politics, but also inappropriate in terms of economics, since this would mean unemployment for thousands of people, and not only servicemen, but also civilian experts.

The euphoria sparked by the fall of Berlin Wall and the disintegration of the Soviet Union abated a long time ago. After everybody exchanged hugs and kisses, to put it illustratively, states recalled that they have their own interests. France has one set of interests, the United States has another, and Russia still another. This has particularly been demonstrated during the process of resolving the Balkan crisis, in which every state with powerful armed forces is fighting for its sphere of influence. Ukraine is also participating in this process, and is maintaining its peacekeeping battalions on the peninsula.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

What objectives is Ukraine pursuing there? According to Anatoliy Kryvenko, first of all, any state is interested not only in the security of its borders, but also in that of nearby regions. Second, Ukraine has been a UN member since the day this organization was established, and it was namely at the latter's request that our battalions were deployed in former Yugoslavia. "As for the latest events — the bombardment of the Bosnian Serb positions by NATO, as a result of which civilians are dying — we share Russia's position, and believe that all diplomatic possibilities of settling the Balkan conflict should have been used. This is exactly why Ukraine proposed to hold a meeting in Kiev, and make another attempt to resolve the problem of former Yugoslavia in a peaceful way. The fact that we support Russia on this issue does not mean that we should exacerbate our relations with NATO, and this because the latter's actions were authorized by the United Nations. And third, Ukraine has debts to the United Nations, and our peacekeeping battalions' participation has made it possible to repay approximately $10 million.

Why Is Everybody Eager To Join NATO?

The North Atlantic bloc currently has a real military power able to influence world processes. NATO's strategy was simple — to defend every ally's security. The United States, for example, threatened to conduct a nuclear attack against a country that would run the risk of attacking West Europe. Currently, East European countries are also driven by the desire to separate themselves with the help of NATO's shield from all future troubles coming not only from Russia, but also Germany. To put it briefly, as long as NATO exists, Europeans do not have to be afraid of Germany's growing power and Russia's actions. However, the possible expansion of NATO to include Poland and the Czech Republic, which currently best meet the demands presented to candidates for NATO membership, will move all sorts of conventional, nuclear, chemical, and other weapons closer to Ukraine's borders. Due to its geographical location, Ukraine is unintentionally becoming a buffer, or so-called gray zone between Russia and countries eager to join the North Atlantic bloc. As everyone knows, our country did not sign the Tashkent treaty on CIS collective security, since, being a neutral country, we cannot join any blocs. Nevertheless, Ukraine has announced that despite its nonaligned status, it is not going to remain a passive observer. As every state, we also want to protect our flanks, though we are trying to do so by civilized methods — through diplomacy and cooperation with both Russia and all European states — and it is the "Partnership for Peace" program that contributes to this. It should be emphasized that training exercises conducted under this program are aimed at conducting purely peacekeeping operations: assisting refugees, convoying humanitarian cargoes, defending certain facilities, etc.

One can sometimes hear the accusations that Ukraine participates only in operations with NATO armies, while no Ukrainian-Russian exercises have been conducted for a long time. The point is that the preparation for international exercises is a long and expensive process. After all, to prepare and equip one training ground, it is necessary to spend a huge amount of money, and all CIS countries have ended up in similarly difficult economic situations. The bilateral agreement with the United States within the framework of the "Partnership for Peace" program has allowed us to compensate for the expenditures on equipping military test ranges. They currently meet contemporary demands, and our Armed Forces will be able to improve their combat readiness at them.

By the way, over 40 European and American states have expressed their wish to participate in the "Partnership for Peace" program. This confirms that a majority of countries are not striving for confrontation, but for rapprochement and peaceful coexistence.

Marchuk, IMF To Discuss Aid for Economic Reforms

LD2709143495 Moscow INTERFAX in English 1322 GMT 27 Sep 95

[FBIS Transcribed Text] WASHINGTON, Sept 27 (Interfax - Ukraine) — Negotiations between a Ukrainian governmental delegation headed by Premier Yevheniy Marchuk and the International Monetary Fund aim at long-term programs of assistance with Ukrainian reforms, Ukrainian Vice-Premier in charge of economic issues Roman Shpek told Interfax - Ukraine.

The Ukrainian delegation arrived in Washington on Tuesday night. It will meet heads of the IMF and the World Bank for the next three days. Today Marchuk will meet U.S. Vice-President Albert Gore and, possibly, President Bill Clinton.

"The new long-term programs of the IMF will help the structural reorganization of the Ukrainian economy and micro-level transformations of Ukrainian enterprises," said Shpek.

In his words, Ukraine and the IMF are planning to start negotiations in October to discuss a new credit for Ukraine. The three-year credit will help the structural reorganization of the Ukrainian economy.

The IMF Board of Directors is expected to discuss the third tranche of the stand-by credit to Ukraine at an amount of $350 million, on September 29.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Ukrainian Premier will also discuss a stabilization fund for the Ukrainian new national currency of grivna with heads of the International Monetary Fund.

According to Shpek, Ukraine will submit an official request for money to support the grivna right after the IMF Board of Directors approves regulations on assistance to national currencies.

In his opinion, the issue will be discussed in late October 1995.

Experts believe that Ukraine will need $1.5-2 billion to support the grivna.

Sources at the Ukrainian embassy in the U.S. think a decision on the stabilization fund may be taken in early 1996.

Prime Minister Meets U.S. Senate Leaders

LD2809104195 Moscow ITAR-TASS in English 1008 GMT 28 Sep 95

[By Igor Borisenko]

[FBIS Transcribed Text] WASHINGTON, September 28 (Itar-Tass) — Ukrainian Prime Minister Yevgeniy Marchuk, currently paying a 4-day working visit to the United States, had a meeting on Wednesday with Senate Republican Majority Leader Robert Dole. Officials of the senator's press service did not wish to divulge the questions discussed during the talk. It cannot be ruled out that it focused on American aid to Ukraine in the next fiscal year.

On the motion of Chairman of the Foreign Operations Subcommittee Republican Senator Mitch McConnell, a clause was included in the bill on foreign aid, according to which Ukraine is to get 225 million dollars from the 705 millions allocated for aid to the newly independent states in the fiscal year of 1996. One hundred and forty-seven million dollars from this sum are earmarked for strictly definite purposes, including fifty million dollars — for strengthening the Ukrainian nuclear energetics self-dependence.

Marchuk met U.S. Secretary of Defence William Perry in the Pentagon later in the day. Their talk touched, among other things, on Ukraine's participation in the "Partnership for Peace" programme.

Marchuk Praises U.S. Military Cooperation

LD2809102895 Kiev UNIAN in Ukrainian 0900 GMT 28 Sep 95

[FBIS Translated Text] Washington — Commenting on the results of his meeting with U.S. Secretary of Defense William Perry, Ukrainian Prime Minister Yevhen Marchuk told journalists that the United States has promised to provide for Ukraine an additional $10 million to finance its participation in the Partnership for Peace program.

The head of the Ukrainian Government expressed readiness to channel part of these additional funds toward reconstruction of the Yavorov testing ground in western Ukraine in order to hold large-scale military exercises there jointly with the United States, Poland, and other neighboring countries.

According to Yevhen Marchuk, we also rely on the United States to support Ukraine in its aspiration to become one of the co-founders of the new regime of expert control.

The prime minister of Ukraine described the relations between the Ministry of Defense of Ukraine and the Pentagon as an example for other ministries to follow. He said that the military of the two countries plan to expand their contacts in 1996; they plan to hold over 50 joint exercises.

Yuriy Shcherbak, ambassador of Ukraine to the United States, said that at the meeting, the prime minister of Ukraine and the U.S. secretary of defense discussed in detail the issue of broadening cooperation between Ukraine and NATO within the Partnership for Peace program.

Norwegian Officials End Three-Day Visit

WS2709112895 Kiev INTELNEWS in English 2353 GMT 26 Sep 95

[FBIS Transcribed Text] Kiev, Sept. 26 — A Norwegian delegation headed by Ku Kolding, Norwegian Foreign Ministry General Secretary, on Tuesday [26 September] completed a three-day visit to Ukraine, the Ukrainian Foreign Ministry reported.

In May, law-contractual department representatives from the Ukrainian and Norwegian Foreign ministries conducted talks and initialed a protocol regarding implementation of agreements that were concluded by the former Soviet Union regarding the relationship between Ukraine and Norway. According to the protocol five agreements and conventions that have been concluded between the former Soviet Union and Norway remained valid.

Among them were agreements on economical, industrial and scientific-technical cooperation, double taxation of incomes and capital and long-term trade.

Ukraine and Norway have prospects to fully develop the interactive potential of the two countries, the ministry said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ukraine would like to develop Norwegian cooperation in the oil and gas industries, in particular on prospecting, extraction, transportation and energy sales.

Official on Need For Nordic Council Ties

LD2709152495 Moscow INTERFAX in English 1405 GMT 27 Sep 95

[FBIS Transcribed Text] KIEV, Sept 27 (Interfax-Ukraine) — Ukraine's first deputy parliamentary speaker Oleksandr Tkachenko said on Wednesday [27 September] Ukraine needed closer cooperation with Scandinavian countries and the Nordic Council.

"Ukraine highly appraises political support from the countries of Scandinavia," Tkachenko told Nordic Council president Geir Haarde and Nordic Council of Ministers secretary general Per Stanbek, whom he met in Kiev.

"This is helping Ukraine return into the family of European states," he told the two leaders of the Nordic Council, whose member states are Denmark, Norway, Sweden, Finland and Iceland.

Haarde and Stanbek have come to Kiev to take part in a seminar whose theme is "Ukraine — the Nordic Council: Cooperation prospects in the context of European integration." The seminar opened on Tuesday.

Tkachenko proposed a series of consultative meetings between Ukrainian and Nordic Council officials on a wide range of issues, among them cooperation between the Black and Baltic sea regions and the possibility to work out joint positions on various world and European and problems, such as European security.

The deputy speaker also asked for Ukraine be allowed to set up a mission at the Nordic Council and attend council meetings as an observer.

"Transport and communications could be promising areas in economic cooperation between the Scandinavian countries and Ukraine," he said.

Haarde responded: "The Nordic Council will give Ukraine support in its efforts to integrate into European space and develop various forms of cooperation with Scandinavian countries... The Nordic Council seeks to ensure that such cooperation is put into practice, above all in the sphere of business..."

"As the first step I will move that Ukraine be allowed to take part in the next sitting of the Nordic Council as an invited country."

Presidential Aide Holds Talks With UK Officials

WS2809085095 Kiev INTELNEWS in English 0233 GMT 28 Sep 95

[FBIS Transcribed Text] Kiev, Sep 27 — Presidential administration chief Dmytro Tabachnyk on Wednesday met British defense and trade officials on a visit to London, the presidential press service reported.

Tabachnyk met British Defense Minister Michael Portillo to exchange opinions on bilateral military-political cooperation. Portillo said that Great Britain attaches great importance to development of relations with Ukraine in every direction. Portillo added that, according to officials assessments of British representatives who have visited Ukraine recently, the Ukrainian government makes impressive steps toward reforms and deserves support in London, the service said.

Portillo commended Ukraine's initiatives to find a peaceful settlement of the Bosnian crisis and cooperation of the Ukrainian and British units of the U.N. peacekeeping forces in this region. Special attention was paid to reformation of the (Ukrainian) Armed Forces that will require technological and expert assistance from Great Britain and the other NATO countries. Portillo assured Tabachnyk that Britain would render Ukraine such help. It was agreed that a concrete discussion of these issues will be continued during the official visit of President Leonid Kuchma to London in December, the service said.

In the Trade and Industry Department, Tabachnyk met British Council for International Trade Chairman Derek Hornby. Tabachnyk and Hornby discussed ways of deepening economic relations, which lag behind political relations in their dynamics. The sides stressed the necessity and importance to finalize an agreement on economic cooperation between Ukraine and Great Britain which could be signed during Kuchma's official visit to London, the service said.

To give new momentum to Ukrainian-British relations, a delegation of industrialists representing British companies such as Rolls Royce, British Gas and British Telecom will be sent to Kiev in the near future, the service said. Hornby will lead the delegation.

Tabachnyk and Hornby also noted that now it would be very favorable to open Know-How Fund representation in Kiev to improve coordination of British governmental aid to Ukraine.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Supreme Council Debates Draft Statement on Yugoslavia

WS2709140295 Kiev HOLOS UKRAYINY in Ukrainian 21 Sep 95 p 3

["Appeal by the Deputies Group 'Statehood' on Drafting a Ukrainian Supreme Council Statement on the Events in Former Yugoslavia"]

[FBIS Translated Text] The Balkan war has returned to its course — yesterday's winners have been defeated and executioners have become victims. Some four years ago, Krajina Serbs backed by the then undivided Yugoslav Army drove away autochtonous Croats from their homes. Almost 100,000 Croat refugees had to flee to avoid the war's first ethnic cleansing. To make sure that Croats would never return to their homes, Krajina Serbs burnt down their houses and razed Croat villages to the ground. Croats are currently doing the same things in Serb villages, particularly the Croat 14th Infantry Brigade manned by those who were forced by neighboring Serbs to flee in 1991.

Revenge is writing its blood-soaked texts without punctuation marks. The Serbs react adequately in the vicinity of Banja Luka and in Vojvodina. Leaders-schemers resettle refugees from Serb Krajina primarily to Kosovo, where they are going to face an equally cruel conflict with local Albanians, who were settled in Kosovo by the Turks in the 17th century to replace the expelled Serbs. The Gordian knot is getting tighter, and the problem of the refugees is threatening to expand into the heart of Europe. There is no moral justification for that war. Neither can it be regulated by political methods or won by military ones.

Former President Mikhail Gorbachev has said about this situation: "Russia regards Yugoslav events as a mirror in which it sees its own fate." This is one of the reasons why Russia stands openly on Serbia's side. Meanwhile, Ukraine has no right to lobby any party in the conflict. Let us not forget about the world's collective opinion, which demonstrates the following: On 30 May 1992 the UN Security Council, proceeding from resolution No. 757, imposed economic sanctions on Serbia and Montenegro, which were immediately deemed as principal initiators of the bloodbath. The urgency of those sanctions was raised by the UN Commission for Human Rights back in October 1991. The International Court in the Hague currently demands a trial of the Bosnian Serb leaders. However, we have full grounds to claim in the [Supreme Council] statement [on the events in former Yugoslavia] that the imposed embargo has failed to produce anticipated results and probably will never produce them. Instead, it inflicted considerable damage on Ukraine.

The statement should primarily express Ukraine's interests, given that — according to a well-known phrase — Ukraine has no friends; it only has interests. Yes, the entire world is not worth one child's tear and we should protest. However, where were we a couple of years ago? Or was it only today that we regained the sense of hearing? Thus, if we have to express indignation, it should be in general over bloody methods of resolving any kinds of conflict when the potential of political measures has not been yet exhausted. This is how we should appeal to the West! However, we should avoid emotional phrases such as "our buddies are being beaten up!"

We have been shocked by another fact. The Ukrainian community of Yugoslavia was a member of our national organism. It used to number more than 40,000 people — in the past. Four years ago it was destroyed in Serbia just as the Croat community. Ukrainian villages were ruined, as well as Ukrainian cultural centers and all the 16 churches. Why? Because the Ukrainians did not want to fight for anybody's interests. The remains of the Ukrainian community found asylum in Croatia. One can imagine the Croatian attitude toward the Ukrainians there after we pass the unilateral statement!

No matter how often declarations styled after the Russian State [previous word published in Russian] Duma are voiced here [in the Ukrainian Supreme Council], we ask: Where were we, the Ukrainian people and legislators, when thousands of Ukrainians were being exterminated? We ask many responsible people in this hall. Do you not have pangs of conscience?

Hundreds of [Ukrainian Yugoslav] children (most of their parents had been exterminated) were on vacation in Ternopil Oblast. We have filed motions to the Ministry of Foreign Affairs and the Ministry of Nationalities; we held a news conference of Ukrainian Yugoslavs here, in the Supreme Council building. Those people asked our deputies to save them and to regard the tragedy from their perspective. The Ministry of Foreign Affairs has taken an ostrich-like stance. European politicians are outraged by the Ukrainian diplomats' indifference.

Will we not mention the fate of the Ukrainians as a separate issue in that statement? Who needs those kinds of documents then? Of course, both Serb socialists and their accomplices in this hall do. However, no sop can justify this unilateral step.

If the two aforementioned aspects are not taken into account, despite the agreement reached at one of the preliminary sessions of the [Supreme Council] Commission for Foreign Affairs, the "Statehood" deputies' group will ask the deputies not to participate in this anti-Ukrainian action. In addition, in light of the suspension

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of air strikes yesterday and the signing of a preliminary agreement by the conflicting parties, the statement loses its significance altogether.

National Affairs

Kuchma Establishes Culture, Arts Ministry

LD2709145095 Kiev UNIAN in Ukrainian 1315 GMT 27 Sep 95

[FBIS Translated Text] Kiev — On 26 September, by the decree of the President Leonid Kuchma, the Culture Ministry was reorganized into the Culture and Arts Ministry. Dmytro Ostapenko, the director of the National Philharmonic Society, was appointed its minister.

Mykola Yakovyna, who was the acting minister of culture, is on an assignment in Transcarpathia.

In the opinion of Vasyl Kremen, head of the directorate of policy on humanities of Kuchma's administration, such a reorganization will create conditions for an optimum structure of the ministry. In an interview for UNIAN, he said that it is especially important in order to ensure "manageability of the cultural sphere."

Defense Minister Visits Khmelnytskyy Oblast

WS2809082995 Kiev UKRINFORM in English 0745 GMT 28 Sep 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As reported by UKRINFORM's correspondent in Khmelnytskyy Oblast of Ukraine, a Defense Ministry working group, led by Defense Minister Valeriy Shmarov, arrived in the region on September 27 to study the situation involving battle and mobilization readiness of troops and to establish contacts between military commanders and local authorities with the aim of resolving problems arising.

G-7 Experts Refuse To Finance Chernobyl Replacement

WS2809084995 Kiev INTELNEWS in English 0233 GMT 28 Sep 95

[By Valeriy Druzhenko, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Sep 27 — The Group of Seven Industrialized Nations on Wednesday repeated its refusal to finance a natural gas-fueled power plant to replace Ukraine's Chernobyl nuclear power plant, scheduled to be shut down by 2000.

The G-7 would prefer to see Ukraine reform its entire energy industry, according to Allan Callum, head of the G-7 expert delegation in Kiev.

The G-7 experts said that three possible ways to reform are reconstruction of existing hydroelectric power stations, completion of three power blocks at nuclear plants and reconstruction of Ukraine's gas- and coal-fired energy plants.

The G-7 said it is willing to give Ukraine over US$ 800 million in loans to complete the blocks at the Khmelnitskiy and Zaporizhia nuclear plants. Valeriy Tatarynov, head of international relations within the Environmental Ministry, said that even if construction would resume immediately on the 80 percent to 90 percent completed reactors, they could not be operational until at least 1999.

During the Tuesday and Wednesday meetings, an agreement was reached between the G-7 and Ukraine concerning project outlines in the near future that should guarantee Chernobyl's closure by the end of the century. The outlines provide for the plant's scheduled closure and adequate replacement of Ukraine's energy- producing capacity. The plan further calls for guarantees on an appropriate level of radiation safety during and after the closure process as well as social assistance for Chernobyl workers ad residents of the city of Slavutych. The proposals point to a need for determining whether the various projects will be considered profitable or non-profit.

Profitable projects will receive financing in the form of long-term loans from Western and Ukrainian financial institutions with favorable terms.

Non-profit projects are to be financed by grants from G-7 countries and international financial institutions. The G-7 experts agreed to categorize as non-profit the following: work directly related to Chernobyl's shutdown, the ecological safety of the sarcophagus enclosing the fourth Chernobyl reactor and radioactive waste disposal.

Environmental Protection Minister Yuriy Kostenko said that the amount of financial assistance proposed by G-7 countries was lower than independent experts had estimated Ukraine would be offered.

Tatarynov said that a concrete financing plan for the Chernobyl closure should be ready by the end of the year. If a plan is not ready, he said, the Ukrainian government will be forced to examine the possibility of keeping Chernobyl open.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Government Appeals for Aid in Creating Chernobyl Center

AU2809102295 Kiev URYADOVYY KURYER in Ukrainian 26 Sep 95 p 2

[Unattributed "Appeal by the Ukrainian Government to All States of the World for Scientific, Technological, and Financial Assistance in the Creation and Operation of an International Research-Technological Center for Problems of Nuclear and Radiation Accidents"]

[FBIS Translated Text] The tenth anniversary of the accident at the Chernobyl Atomic Electric Power Plant [AES] is approaching. That accident went beyond Ukrainian borders and became the global problem of our time in terms of its influence on the ecological situation and its socioeconomic repercussions. Ukraine has experienced the entire tragedy of the nuclear catastrophe and understands the concern of public opinion in all countries of the world regarding continued operation of the plant.

In view of this factor, the Ukrainian government adopted the crucial decision on the possible decommissioning of the Chernobyl AES by the year 2000. However, our country is unable, on its own, to implement such a large-scale program, because this requires large economic outlays.

Unfortunately, as a result of various political and economic circumstances, it was not possible, over the nine years that have passed since the Chernobyl catastrophe, to create an efficacious system for continuous investigation of all of its consequences. Moreover, it has become obvious that even industrially advanced states are unable to adequately react to or implement suitable countermeasures for overcoming the aftermath of the global accident.

For this reason, the Government of Ukraine finds it extremely important to ensure comprehensive and profound analysis, in the interests of the whole mankind, of the experience of the Chernobyl catastrophe and ways to overcome its consequences in order to prevent the recurrence of similar catastrophes in the future and to considerably assuage the aftermath of potential events at atomic electric power plants. The unique conditions and facilities in the Chernobyl zone make it possible to work out practical approaches and develop measures for preventing nuclear accidents, design special technologies for reducing and eliminating consequences of nuclear and radiation accidents, ensuring ecological rehabilitation of the polluted environment, decommissioning nuclear facilities, and so on.

The Ukrainian Government offers to create an International Research-Technological Center for Problems of Nuclear and Radiation Accidents in order to establish suitable conditions for research to be conducted by experts from interested states and international research centers. This work will promote implementation of the program for research in the area of nuclear and radiation safety, prevention of accidents, overcoming of their consequences, and rehabilitation of the environment, and will also make it possible to conduct radioecological and medico-biological studies. The creation of such a center will make it possible to resolve a whole complex of tasks associated with the preparation for and forthcoming decommissioning of the Chernobyl AES, transformation of the "Ukryttya" [Shelter] Facility into an ecologically safe system, and resolution of problems of handling large amounts of radioactive waste materials.

Having approved the concept for the creation and activities of the International Center, a concept that specifies the interests of the Ukrainian side, and willing to create the most favorable conditions for multilateral cooperation within the framework of such a center, the Ukrainian Government hopes to receive proposals on trends of research work, organization of operations, and participation of representatives of foreign states in the activity of such a center.

On the eve of the 10th anniversary of the accident at the Chernobyl AES, the Government of Ukraine appeals to governments of all countries of the world, international organizations, and financial institutions, and also to heads of research centers and laboratories — all those who care about the fate and future of mankind — with a request to take part in creating and operating the International Research-Technological Center for Problems of Nuclear and Radiation Accidents.

Non-Payment of Electric Bills Portend 'Cold Winter'

WS2809085195 Kiev INTELNEWS in English 0233 GMT 28 Sep 95

[FBIS Transcribed Text] Odessa, Sep 27 — Consumer non-payment of electric bills portends a cold winter, according to Nikolay Makarenko, Odesenerho chief engineer, told the Odeskiy Vestnik newspaper recently.

Makarenko's company is currently in arrears to the tune of KBV101 billion, or about US$ 550,000, just for maintenance, he said. In addition Makarenko noted that outstanding debts to Odesenerho total another KBV35 billion, or US$ 175,000.

Makarenko said, "We can buy at present about 15 percent of the fuel we need to supply the region."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Among the electric bill dead beats include the Odessa railroad, "all Odessa factories," and all Odessa government organizations, Makarenko said.

Odesenerho will be unable to continue maintenance as a result of this situation, Makarenko said. During the winter if funds are not forthcoming, electricity use will be limited to 10 hours a day for some users.

"For users who have paid their bills, electricity pricing will be a little lower," Makarenko said.

Makarenko added that Odesenerho will purchase supplemental electricity from Russia, which will be produced by Ukrainian coal burnt in Russian power stations.

Border Guards Seize Ammunition Bound for Lebanon

AU2809084895 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 26 Sep 95 p 4

[Report by the Press Service of Ukraine's Border Troops: "Not Everything Is O.K. at the Border"]

[FBIS Translated Text] The situation on Ukraine's state border has been tense lately.

It is no accident that Ukrainian border guards have detained 236 transgressors and uncovered 38 cases of smuggling contraband worth 15 billion karbovantsi. Representatives of the customs authorities have been asked to handle 34 metric tons of foodstuffs, nine tons of coal, 1,000 liters of alcoholic beverages, and so on. Also, 13 weapons of various type and seven pieces of ammunition were seized at the border.

Unfortunately, the number of attempts to smuggle weapons across the border is not diminishing. For example, on 18 September, a border guard detail at the "Novoazovsk" border-crossing point in the Donetsk Oblast detained two "MAZ" cars carrying 925,000 12-mm cartridges. The people who were escorting this cargo had no documents allowing them to cross the border. They wanted to get to Mariupol [Azov Sea port] and, from there, ship the ammunitions to Lebanon.

Economic Issues

Trade Union Leader Views New Government

954K0696A Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 14 Sep 95 p 2

[Interview with People's Deputy of Ukraine Oleksandr Stoyan, chairman of the Federation of Trade Unions, by Lidiya Ruta; place and date not given: "Is the Year of the 'Great Turning Point' Being Postponed?"]

[FBIS Translated Text] The draft of the government's program of activity was discussed in the Cabinet of Ministers. People's Deputy Oleksandr Stoyan, chairman of the Federation of Trade Unions, attended the meeting and spoke there. Insofar as this event coincided with a new rise in prices, I asked the trade union leader to give his opinion of the government's activity and our everyday life.

[Ruta] Oleksandr Mykolayovych, our living standard is falling with each day. Yet we are being told that reforms are proceeding in good order. One serious newspaper went so far as to say that the rise in the price of housing is a normal phenomenon and that people who live in crowded conditions, lacking a refrigerator and a television set, only benefit from this. I have never heard greater blasphemy. Even though....there is mockery all around. What do the trade unions think about this?

[Stoyan] I believe that it was a positive step to include in the agenda of the session the question of establishing the poverty line, which we estimate is now over 5 million karbovantsi.

[Ruta] Before each price rise or in the process of it, you gather your active membership and journalists and state your position. And the governing structures, just as in Krylov's fable, have their own way regardless. I recognize the importance of harmony in society, yet when the people are treated like laboratory rabbits subjected to a devilish experiment in survival, something needs to be done to make the experimenters understand that the people united in trade unions represent a force.

[Stoyan] I do not believe that meetings, picketing, and protest actions will instantly change our life. If only it were that simple.... Certainly, we do not exclude such measures should the government not agree with us. But knowing the hardships of the people, their painful spots, we want to work out the kind of laws that would protect the interests of the people. We have included our economic demands in the general wage agreement.

We succeeded in having the designation of the poverty line placed on the agenda of the session. These are realistic actions. We hope to see the law on wages brought into conformity with real life. In our view, it is necessary to put into force the second part of Article 9, and Articles 10, 33, and 34 of the Law of Ukraine on Wages effective 1 January 1996. The Cabinet of Ministers should be directed to submit within a month a proposal to the Supreme Council of Ukraine that would bring the legislative acts of Ukraine into conformity with the Law of Ukraine on wages and to adopt decisions that flow from this law. In the process of completing the draft Law of Ukraine on the State Budget for 1996, to include the expenditures entailed in the implementation of the Law of Ukraine on wages. If

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

they fail to take our ideas into account, we will resort to protest actions.

Incidentally, we succeeded in protecting employees of budget organizations. The government proposed changes and additions to certain legislative acts that would set salaries and wage rates later to be adjusted together with state budget indicators. It is our categorical position that this must not be done. Today these wage and salary rates are adjusted every month; they are "tied to" the wage indicators in industry. This is something we demanded jointly—the federation and the central committees of three trade unions—educators, medical workers, and cultural workers. Owing to this, we were able to raise wages in this sector.

[Ruta] What do you think of the current government?

[Stoyan] In my opinion, it has not yet formed into a single team. The speeches of the deputy prime ministers during the discussion of the work of the Cabinet of Ministers were contradictory, with obvious differences in views. Such differences are quite natural at the stage in which documents are worked out. But when a document is published, the team must present a single front, as they say. Nonetheless, I believe that we will be able to work together with the government.

[Ruta] If you feel that it is possible to work together with the new government, please tell us something about the discussion of the draft of the program of the government's activity.

[Stoyan] On the whole, the trade unions could support this draft if additional fundamental work is done in the section dealing with social and labor issues. What do I have in mind? The principal goal of this document is to stabilize production and create conditions for the growth of the gross domestic product. But it is poorly formulated, inasmuch as it covers only a portion of all the economic and social relations in society. Ukraine wants to join the European Community and must therefore not ignore international legal norms. Article 2 of the International Labor Organization Convention titled "Principal Goals and Norms of Social Policy" states: "Raising the living standard is regarded as the principal goal when planning economic growth." As you can see, this is the principal goal—not a collateral component. And this must be reflected in the program.

As is clear in the section on "Social Policy," practically all the measures are aimed at protecting the most vulnerable strata of the population. Meanwhile, those that work, raising their living standard, their material security, and their right to work are not included in this document.

As a matter of fact, the preamble to the document states that the program concretizes the fundamental principles of the president's economic policy. And that document, in the section entitled "Social Policy," clearly states: The minimum wage must not be lower than the officially established poverty line; to gradually raise the minimum wage to the level of 30-40 percent of the average wage in the national economy, and by the end of 1996—to 60 percent; to raise the portion of the rate in the average wage from the critical amount (15-25 percent) to the optimum amount (70-80 percent).

The president stated unambiguously that the policy of raising prices in tandem with keeping down the wage fund is essentially economic nonsense.

The Program does not contain an elaboration of these principles from the president's report; they are not even mentioned. It states, instead, that "regulation of consumption funds will be restored."

Lugansk Article Assesses Privatization

WS2709120195 Lugansk LUGANSKAYA PRAVDA in Russian 14 Sep 95 p 1

[Unattributed report: "Privatization Is Under Way, but...."]

[FBIS Translated Text] **"The process of privatization is assessed ambiguously in the oblast mass media and this is, of course, natural, because the reform of ownership is an extremely complicated thing. But, from time to time, reports on the artificial blocking of this process appear in the press; in addition, published reports and figures are sometimes mutually exclusive. Could I learn about the general situation in greater detail?" asks V. Yeremenko from the Perevalskyy Rayon.**

According to the data available in our editorial office, over 670 enterprises, organizations, and institutions have been privatized so far. Industrial enterprises account for 21 percent, construction enterprises account for 10.5 percent, agricultural sector sites account for 8 percent, retail trade enterprises account for 32 percent, municipal sites account for 1.6 percent, public catering centers account for 8 percent, and enterprises providing everyday services to the people account for 11.7 percent.

Privatization of sites by means of privatization vouchers accounted for 50 percent of the actual value of privatized sites. The second 50 percent was monetary assets of the people. Mention must be made that 90 percent of these assets have been provided by the workers of privatized enterprises, 9.5 percent have been provided

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

by other Ukrainian citizens, and 0.1 percent have been provided by foreign investors.

The analysis of the performance of privatized enterprises shows that the change in the form of ownership has not decisively improved their technical and economic indicators. Only one in every five enterprises increased its industrial production output. Among them are the Stakhanov ferroalloy factory, the Lugansk experimental equipment factory, the Pervomaysk electromechanical factory, the Lugansk electric equipment plant, the Krasnodon automobile unit plant, the Rubezhnoye paper and paperboard complex, garment factories in Kirovsk, Krasnyy Luch, and Popasnaya, and some others.

As regards the Lugansk enameling factory, the Rubezhnoye hosiery mill, garment factories in Svatovo, Lysychansk, and Starobelsk, the "Stroydetal" factory in Krasnodon, the Lugansk pastry factory, the "Kraton" factory in Alchevsk, and others, they have decreased their production output more than twofold. As regards the agrarian sector of the economy, only seven enterprises out of 55 have produced more grain, and only four have produced more meat and milk. The accelerated tempo of privatization of trade sites has not led to the expected increase in their trade turnover. According to data on the first six months of 1995, industrial output in Kharkov Oblast, for example, dropped by 26.6 percent and the people purchased 38.4 percent fewer goods compared with the same period last year.

It is understandable that these results cannot be explained by the flawed privatization process, and one cannot state that the reason for these flaws lies in the incorrect course of reforming the relations of ownership. The situation is much more complicated and concerns the entire complex of socioeconomic problems of the current transitional period. Nevertheless, it would have been at least thoughtless to think that privatization is the panacea for all ills. Only well-thought out systemic reform of the national economy will make it possible to expect a positive change of the situation in the oblast.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Belarus

Lukashenka Says Russia's Soskovets May Be Envoy

LD2709121795 Moscow INTERFAX in English 1029 GMT 27 Sep 95

[FBIS Transcribed Text] MINSK, Sept 27 (Interfax-West) - Citing his earlier agreement with Boris Yeltsin, Belarussian President Alyaksandr Lukashenka said that Russia's First Deputy Prime-Minister Oleg Soskovets would soon be appointed Moscow's official emissary for Belarus.

In Tuesday's [26 September] appearance on Belarusian television Lukashenka said that he and Boris Yeltsin had agreed in Sochi that "Soskovets would bear personal responsibility for the realization of Russian-Belarusian agreements."

Although he would concentrate on relations with the other former Soviet republics, the Deputy Prime-Minister in charge of relations with the CIS countries, Aleksey Bolshakov, would still keep an eye on Russian-Belarusian relations, Lukashenka said adding that Soskovets could be expected to pay an early visit to Minsk.

Lukashenka pays special attention to the appointment because, he said, "the Soskovets family is rooted in Belarus."

Security Council Investigates Weapons Shipments to FRY

WS2709125695 Minsk MMC in English 0802 GMT 27 Sep 95

[FBIS Transcribed Text] MMC learned that the facts of "Transaviaexport," the Belarusian air company's involvement in weapons and military equipment shipments to Yugoslavia were subject for investigation at the Security Council. The crews of the IL-76 aircraft which were passed over to the company from Vitebsk Transport Air Division in 1993, presently carry out flights by order of "Efis," the French firm in Scopier. The Belarusian pilots earn their salaries in amount of $1500 per month. However, this is not the single fact of the Belarusian representatives' involvement into one of the fighting side in the local conflicts. The Ministry of Defense helicopter crews are reported to stay over one year and a half in the Republic of Sierra Leone. The helicopter pilots that arrived in this African country on the grounds of the concluded international agreement on assisting in humanitarian aid deliveries, due to worsening of political situation in Sierra Leone, risk their lives, endangered to be shut down by the opposition forces. But, there is an assurance that the leadership and the relevant force structures of Belarus try not to admit participation of the ministry of defense workers and officers on reserve in the "hot spots" battles. It is confirmed by the fact that the State Security Committee was given instructions in which counter-intelligence officers imposed upon with a duty to expose personalities that are eager to serve as hirelings, and to take steps in order not to let them go to the battlement areas.

President Rejects Law by 'Illegitimate' Parliament

WS2809092995 Minsk Radio Minsk Network in Belarusian 0800 GMT 28 Sep 95

[FBIS Translated Text] I did not sign and I am not going to sign any laws issued by the illegitimate 12th Supreme Soviet after its tenure had been terminated. President Lukashenka has sent a letter to this effect to the Belarusian Supreme Soviet. According to the Presidential Administration Main Directorate of Sociopolitical Information, in this way Alyaksandr Lukashenka commented on the publication of the Supreme Soviet law On Electing Local Soviet Deputies as Deputies of the Republic of Belarus [as heard] in the 27 September issue of NARODNAYA GAZETA. The law bore the Belarusian president's unauthorized signature. The president again drew the attention of the Supreme Soviet deputies to the inadmissibility of provoking opposition between the legislature and the head of state, and expressed hope for the creation of favorable political conditions for conducting the planned elections to the new Supreme Soviet.

Four Parties Form 'Civic Action' Political Union

WS2809095795 Minsk BELAPAN in English 0741 GMT 28 Sep 95

[FBIS Transcribed Text] The establishment of a political union entitled "Civic Action" formed by four political parties was announced in Minsk on the evening of September 27. The declaration on the establishment and the statute of the union were signed by Alyaksandar Dabravolski, chairman of the United Democratic Party of Belarus; Yawhen Luhin, chairman of the Peasants' Party; Vasil Shlyndikaw, chairman of the Civic Party; and Aleh Hramyka, chairman of the Green World party. The declaration reads that the participants of the union have taken this step to show an example of political concord to all democratic forces with a view to solve national problems on a level with the standards of civilized nations. It is pointed out that the establishment of a political union was provoked by the fact that the current political confrontation, the irreconcilability of political opponents — the communists and the Belarusian Popular Front — which adhere to extremely radical approaches to the solution of social and economic problems, leads to the escalation of social tension and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

does not favor the search of constructive solutions. At a news conference after the signing ceremony it was announced that the immediate task of the Civic Action political union was successful participation in the forthcoming legislative elections. The union is expected to put forward over 50 candidates to MPs.

Interior Ministry on Growing Crime, Migrants

WS2709125395 Minsk NARODNAYA GAZETA in Russian 22 Sep 95 p 1

[Report by Aleh Sakalow: "Porous Borders Also Suit Fine... Criminals"]

[FBIS Translated Text] As a BELAPAN correspondent was told at the Belarusian Internal Affairs Ministry press service, at a meeting held at the ministry collegium meeting on 19 September, the ministry's employees noted the steadily growing rate of group crime, robberies, burglaries, and extortion.

Over the eight months of this year, 381 crimes were committed with the use of firearms. The law-enforcement agencies are concerned with the growing number of reports about explosives planted in schools, planes, stores, and railroad and bus stations. An increase in car theft was noted, with considerably more cars being stolen than purchased by the citizens. In this connection, the Internal Affairs Ministry Collegium decided to adopt new tactics and strategy of searching for stolen cars and detecting and identifying individuals that commit such crimes.

The collegium members also voiced anxiety over the porousness of Belarusian borders allowing criminals from former CIS and foreign countries to enter Belarusian territory, settle in big Belarusian cities, and establish contacts with local criminal groupings. It was reported that over eight months of 1995, foreigners committed 891 crimes and more than 46,000 administrative violations. The Internal Affairs Ministry Collegium approved a list of procedures aimed at preventing crimes by individuals illegally staying in our Republic. They include increasing control over Belarusian citizens with a criminal record or who maintain contacts with criminal groupings from other regions, and "combing" places heavily populated by illegal migrants to establish reasons and intentions for their stay in the Republic.

Cabinet Discusses Economic Program Until Year 2000

WS2709125795 Minsk Radio Minsk Network in Belarusian 0800 GMT 27 Sep 95

[FBIS Translated Text] A regular session of the Cabinet of Ministers Board has been held. One issue was discussed — that of the draft program of Belarus's socioeconomic development up to the year 2000. The document was discussed in accordance with recommendations by the Belarusian president and the Cabinet of Ministers. The document appears to be a logical continuation of urgent measures for overcoming the crisis in the Republic. Minister of Economy Ryhor Badzey pointed out that the situation in the production area and the agricultural sector is complicated. The output of commodities is being reduced; over 20 percent of enterprises are working at a loss. The reasons for this situation lie in the low competitive ability of Belarusian commodities, as well as in nonpayments, high taxes, and a deficit of working capital. A constant decline in people's actual incomes is occurring under such circumstances. The program of socioeconomic development is aimed at slowing this process and overcoming the crisis in the Republic.

Moldova

Snegur Views Developments Since Independence

LD2709205695 Moscow INTERFAX in English 1820 GMT 27 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Moldova has achieved considerable progress in many areas over four years of independent development. The next goal is to closer integrate in European institutions, Moldovan President Mircea Snegur told a plenary session of the Parliamentary Assembly of the Council of Europe in Strasbourg Tuesday.

Snegur called for an international conference on separatism offering the Moldovan capital of Chisinau as venue of this forum.

Snegur confirmed Moldova's commitment to political settlement of the Transdniester conflict.

IF Note: The self-proclaimed Transdniester Moldovan Republic was founded in 1990 with the capital in Tiraspol. The breakaway republic saw a bloody armed conflict with Moldova's armed forces in June 1992. The Russian 14th Army, stationed in the region, acted as a peacekeeper.

"We hope to ultimately settle the conflict in the Transdniester region with the help of European institutions," Snegur underlined.

"Transdniester settlement is hampered by the Tiraspol leaders' reluctance to compromise and external factors such as support of the separatist leaders by some forces in Russia's State Duma," he continued.

Asked about Moldova's internal situation and the executive's relations with the parliament, Snegur said "the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

talks of his intention to amend the Constitution and turn Moldova into a presidential republic with a two-house parliament were provoked by the program of the new Revival and Accord Party he chairs." "For the proposed changes to become reality, the Revival and Accord Party should win the elections," he added.

Speaking on the draft constitutional amendment to rename Moldova's official language to Romanian, Snegur said the name of the language should be historically true. He hoped that the parliamentary majority will support the motion.

Commenting on the Russian troop pullout and the republic's possible joining any military bloc, Snegur stated that Moldova's Constitution banned involvement in any military alliance and place foreign military bases on its territory. Chisinau turned down Russia's proposal to turn the limited contingent of Russian troops into a military base, he added. Nevertheless, Moldova can participate in military cooperation programs such as Partnership for Peace, he underlined.

In answer to the Hungarian representative's question what impeded Moldova to sign a treaty on friendship and cooperation with Romania, Snegur said there are no obstacles to signing such a document now. The two countries' experts are working on this, he added.

Asked about his attitude to the 1939 Molotov-Ribbentrop pact which separated Moldova from Romania, Snegur said both Chisinau and Bucharest "proceed from the reality and international documents, in particular the Helsinki agreements."

Snegur on Russian Commander, Weapons in Dniester

LD2709124295 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1000 GMT 27 Sep 95

[FBIS Translated Text] "The problem does not lie in withdrawing the soldiers, but in withdrawing the weapons that have accumulated over a 50-year period," Moldovan President Mircea Snegur declared in an interview with Ekho Moskvy Radio. "This problem will be resolved over a period of three years."

"I believe in the sincerity of General Valeriy Yevnevich, the head of the operational directorate of the group of Russian Federation troops in the Dniester region, although recently I have been getting reports that a certain quantity of weapons is being handed over in the Dniester region. True, these reports are unconfirmed. Yevnevich is a serious, reliable sort of man," Snegur emphasized.

The Moldovan leadership maintains constant contact with the commander of the Russian forces, in contrast to the situation when General Aleksandr Lebed was in charge. According to Mircea Snegur, in three years, General Lebed never held a single meeting with the Moldovan leaders, although this was offered to him.

Russian Security Officers Investigate Police Case

AU2809081295 Chisinau BASAPRESS in English 2100 GMT 26 Sep 95

[FBIS Transcribed Text] Tiraspol 26/9/1995 (BASA-PRESS) Four Russian federal security officers have arrived in Tiraspol to investigate in the recent arrest of two Moldovan policemen.

BASA learned from the Tiraspol Administration that generals Vladimir Smorzhevskiy, Yakov Pogoniy, and other two officers are examining Ivan Josan's and Vitaliy Landyrev's performance in the Tiraspol garrison under Col. Mikhail Bergman's command.

According to sources in Tiraspol, on 22 September the federal security officers met with the Russian officers and proposed each of them to write detailed reports on Josan and Landyrev. One of the officers told BASA that Maj. Gen. Vladimir Smorzhevskiy was angry that "Moldovan policemen live in Tiraspol."

According to some reports, the arrest of Josan and Landyrev is linked to the electoral campaign in Russia and to the collection of compromising materials on Gen. Lebed [former 14th Russian Army commander stationed in Dniester]. The Chisinau media relays that Col. Bergman might become a target of bitter accusations for being a staunch supporter of Gen. Lebed's.

Earlier, Maj. Gen. Vladimir Smorzhevskiy visited the Dniester region as Russian Federal Security Service representative in the JCC [Moldovan Russian Joint Control Commission].

Yevnevich Blamed For Stance on Arrest

AU2809081395 Chisinau BASAPRESS in English 2100 GMT 26 Sep 95

[FBIS Transcribed Text] Chisinau 26/9/1995 (BASA-PRESS) The Moldovan delegation in the Joint Control Commission (JCC) blames the commander of the Dniester-based Russian troops for having supported the Dniester Security Service. A Moldovan delegation declaration released today by JCC press service reads: "Lt. Gen. Valeriy Yevnevich justifies the Dniester special services and defends them by putting them under the protection of his authority."

The declaration was a response to the assessments by Gen. Yevnevich at the press conference held Monday,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

25 September, in Tiraspol, and to his letter to Bendery Police Commissary Valeriy Prudnikov. In this letter Yevnevich defends the Dniester special services, which last week arrested in Tiraspol two Moldovan police officers, Vitaliy Landyrev and Ivan Josan.

According to Yevnevich, the two were arrested by "the Dniester Prosecutor's Office as Dniester region citizens," because when employed by the Dniester militia they "concealed some crimes by starting false juridical actions."

The declaration qualifies the arrest of the police officers as a "provocation meant to affect the negotiations and destabilize the situation in the region." "Unfortunately, we have to admit that the declarations by the commander of the Russian troops mobile group show his support for illegal, groundless, and provocative actions," the document reads. According to the declaration, such incidents as the arrest of officers Josan and Landyrev are beyond the competence of the Russian troops and the actions of Gen. Yevnevich might be referred to as violation of 21 July 1992 Moldovan-Russian agreement, which calls upon the Russian troops temporarily stationed on Moldovan territory to keep neutral.

Tighina Police Protest 'Destabilizing Provocations'

AU2809103795 Chisinau BASAPRESS in English 2020 GMT 27 Sep 95

[FBIS Transcribed Text] Tighina (Bendery) 27/9/1995 (BASAPRESS) The violation of the Moldovan-Russian agreement of 21 July 1992 and the provocations performed by Dniester authorities might destabilize the situation and start the conflict anew, according to a letter by Tighina Police Commissariat to Moldovan President Mircea Snegur, Russian President Boris Yeltsin, and the OSCE Mission Representative in Chisinau, Michael Wygant.

"The town administration has cut off police emergency and internal lines. Police are not allowed to patrol the town. Policemen are deprived of the right to living space and its privatization and of the right to have their children taught in their native language," the letter reads.

According to the letter, over half of town's population has received Moldovan citizenship. In case of emergency they still call the local police, which does not suit the secessionists who do their best to destabilize the situation and block the law-enforcement organs' activity. "The Russian peacekeeping forces and Tighina town military command do not comply any more with the Moldovan-Russian agreement of 21 July 1992," says the letter.

Its authors qualifies the arrest by the Russian and Dniester special services of the policemen Vitaliy Landyrev and Ivan Josan as "an attempt to undermine the relations between Moldovan and Russian law-enforcement." The Tighina police commissary asked the presidents of the two states to send a commission to Tighina to observe the agreement fulfillment.

World Bank Official Denies Loan Cancellation Rumors

AU2809102195 Chisinau BASAPRESS in English 2020 GMT 27 Sep 95

[FBIS Transcribed Text] Chisinau 27/9/1995 (BASAPRESS) The World Bank will grant Moldova the requested credits according to the previously signed agreements, James Parks, World Bank representative in Chisinau, told BASA. He denied the rumors spread in Chisinau that the loans were canceled because the government failed to comply with the agreement conditions. "International financial institutions set conditions on their financial assistance to avoid any risks, but the government is the one to make the final decision concerning economic policy," Parks said, stressing that the decisions depend directly on the commitments the executive assumed and on its attitude toward reforms.

Previously, Ceslav Ciobanu, Minister of Privatization and State Property Administration, declared that the World Bank has not yet granted the second allocation of the structural reform loan the government expected to receive in the first half of 1995. Ciobanu said that the World Bank stipulates that the retirement age be raised. Referring to the extrapolated increase of the retirement age to 60 for women, and 65 for men, James Parks mentioned that "the World Bank representatives are certain that the government intends to change the social security system."

The European Bank for Reconstruction and Development (EBRD) requires the ratification by Moldovan Parliament of the $120 million credit line implementation agreement. According to the agreement, the loan has to be operated by Moldagroindbank in Chisinau and aims to support the Moldovan private sector.

Joshua Tanaka, EBRD governor for Romania, Moldova, and Croatia, said at a press conference yesterday that the first subproject will be financed from credit funds by the end of 1995. Speaking on the loan terms for small and medium enterprises, Tanaka said that the loans will be made in hard currency for up to five years. Exporting firms will be given priority. The same source specified that the interest rate will be adjusted to the domestic credit market.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Local observers say the EBRD loan terms are tough as they provide for a collateral that is 30 percent higher than the initial amount. Another condition is that loan beneficiaries must export 30 percent of their products.

Thomas Maier, senior banker at EBRD, declared earlier that "the requirements are tough indeed, but they are realistic and natural for a commercial project and reflect commercial realities."

"The EBRD will offer Moldova investments and loans worth $120 million in 1995," Joshua Tanaka added. The EBRD program for Moldova covers three large areas — infrastructure development, assistance for the banking sector, and support for small and medium enterprises, especially the private ones.

Among the important projects funded by EBRD there are a re-endowment of 10 wineries and the Chisinau City heating system, the and financing of the Giurgiulesti port construction works, Chisinau glass factory, and Orhei sports footwear factory of the joint-venture Askom-Kelme.

Trade Unions Demand Payment of Overdue Pensions

AU2809095695 Chisinau BASAPRESS in English 2020 GMT 27 Sep 95

[FBIS Transcribed Text] Chisinau 27/9/1995 (BASA-PRESS) The Moldovan Independent Trade Unions Federation (ITUF) demanded yesterday pension debts payoff until 1 October, the International Day of the Elderly. Official data shows that the pension debts amount to 115 million lei ($22 million.) According to a parliamentary decision the deadline of pension debts liquidation is 1 November, but many union leaders regard skeptically this decision.

Local observers say the unions tried not to dispute the deadline set by Parliament, though in the collective government-employers-unions agreement it was fixed as 1 September. BASA learned from ITUF chairman Ion Godonoga that "the transition to the market economy affects the elderly and the disabled. Their situation is much worsened by the late payment of pensions." Godonoga said that yesterday the ITUF called upon all local administrative offices, trade unions, and non-governmental organizations to make charity contributions to elderly with medicines, living space reparation, and wood and coal for the winter. The federation will offer on 1 October about 1,500 free lunches by the agency of sanitariums, hotels, and other businesses.

According to statistics 800,000 pensioners live in Moldova.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kazakhstan

Draft on Legal Status of Caspian Sea Discussed

LD2709191895 Almaty Kazakh Radio First Program Network in Russian 1500 GMT 27 Sep 95

[FBIS Translated Text] The second meeting on the legal status of the Caspian Sea ended in Almaty today. Participants in the meeting discussed a draft document presented by Kazakhstan's delegation.

At the International Scientific and Practical Conference held in Almaty in July, representatives from Azerbaijan, Iran, Kazakhstan, Russia, and Turkmenistan agreed to create a constantly functioning negotiating mechanism for working out the legal status of the Caspian Sea.

At this current meeting, the Kazakh delegation presented a renewed draft document on the legal status of the Caspian Sea, which is based on documents adopted in Tehran, and takes account more deeply of the experience former Soviet republics have of common use of the sea. The Kazakh side proposes that the interests of the littoral countries should be taken into account as much as possible, as should their desire to preserve the sea for future generations by demarcating territorial waters, creating fishing areas under national jurisdictions, marking seabed sectors, and determining an open-water space where each of the countries should have equal rights.

Agricultural Cooperation Memo Signed With Iran

LD2709174695 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 23 Sep 95 p 1

[FBIS Translated Excerpt] On 21 September, Zhanibek Karipzhanov and Gholamreza Foruzesh, the ministers of agriculture of Kazakhstan and the Islamic Republic of Iran, signed a memorandum on agricultural cooperation. This large-scale and promising document is the result of the visit of an Iranian delegation of agricultural managers, directors of companies, and businessmen to our republic, and their familiarization with the agriculture of Kazakhstan. It is planned to set up a Kazakh-Iranian joint venture to implement the projects which have been mapped out.

The agriculture of the two countries appear to have great interests in common. Iran is prepared to buy our grain, meat, livestock, butter, and mineral fertilizers. From time immemorial the country has been renowned for its Persian carpets, and we have plenty of wool. Now a real opportunity has emerged for Kazakh wool to enter the Iranian market and to be used in the manufacture of carpets.

Iran is currently known worldwide for its great achievements in the field of industrial poultry farming, and it is ready to give us assistance in the development of this sector, which is under the threat of being extinguished. It is planned to invest in the construction and refitting of dairy factories in Kazakhstan. Iranian specialists have become interested in our scientific research into sheep-breeding and pedigree horse-breeding.

Next year, Kazakhstan and Iran will be connected by a direct railway service. Our countries are washed by Caspian Sea, which can act as a transport route for a great deal of freight traffic. It is thus possible for these two great Asian countries to conduct active trade and implement large-scale technical projects. Sea links are, however, restricted for the time, because of the lack of a good port here on the Caspian Sea. However, Iran is ready to invest in the development of the port of Aktau, which should become Kazakhstan's wide gate to the sea in the future. [passage omitted]

Tajikistan

Situation in Kurgan-Tyube 'Normalized'

LD2709151595 Dushanbe KHOVAR in Russian 1215 GMT 27 Sep 95

[Article: "There Are No Grounds for Anxiety"]

[FBIS Translated Excerpt] Kurgan-Tyube [Khatlon Region] — This is the opinion of Abdujalol Salimov, chairman of the Khatlon Regional Government, as expressed to the correspondent of KHOVAR, after the recent events in Kurgan-Tyube. It can be said with full assurance, he emphasized, that the situation in the town has been normalized and is under the control of the government power structures.

All industrial and agricultural enterprises and government offices are operating. [passage omitted]

It should be noted that, at the initiative of a government commission, a conciliation meeting took place on 25-27 September between the opposing groups, with the participation of the power structures of the republic. The sides agreed to resolve any problems peacefully and not to cause any more anxiety among the population.

An inquiry group made up of Interior and Defense Ministry, National Security Committee, and Prosecutor-General's Office officials is studying the causes of the events that took place on 17 and 18 September in Kurgan-Tyube, and any violations of the law will be appraised in accordance with the law.

Reports of Continuing Clashes

LD2709155395 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 27 Sep 95

[FBIS Translated Text] Reports from Kurgan-Tyube indicate that despite the scope of military operations

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

having been curbed, isolated clashes are continuing. [Words indistinct] terrorism of people has turned into a habit. Innocent people in the area are being killed due to national, religious, and regional connections. Some nights ago a 14-year old girl's body was found on the banks of the Vakhsh River. She had been killed after being raped savagely. One day ago, the corpses of two people were found in the central park and another was discovered at the town market. Nobody has been able to identify them.

According to the latest reports, the town is under the control of the forces of Mahmud Khudoyberdiyev. The defeated forces of Usmon Murchayev are taking refuge in the (Karategin) Valley, under the pretext of implementing the president's edict.

Military commentators say that today the state cannot manage Kurgan-Tyube as before and is (?facing) new difficulties.

Opposition Radio Report on Arms Surrender

LD2809100695 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 28 Sep 95

[FBIS Translated Text] Mahmud Khodoyberdiyev, commander of the 1st Brigade of the regime's Ministry of Defense in Kurgan-Tyube, rejected the decision of the government commission on surrendering the arms seized from the 11th Brigade. Khodoyberdiyev said: We are worried that these arms will be given back to members of the 11th Brigade.

The 1st Brigade commander also said that the criminals who are taking refuge in the 11th Brigade and also those who are cooperating with criminals from the Dushanbe and Kurgan-Tyube administrations should be called to account, otherwise the conflicts will continue.

At the same time, the Internal Affairs Ministry's information center reports that the conflicting parties have started to withdraw their heavy weapons from Kurgan-Tyube.

Rebel Radio Reports 'Surveillance' of Press

LD2809100795 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 28 Sep 95

[FBIS Translated Text] Surveillance and pressure over free correspondents and non-state newspapers is continuing in Tajikistan. The republic's Tax Committee has (?warned) two relatively free newspapers, VECHERNIY DUSHANBE and KURYER TAJIKISTANA, that if they do not pay a fixed penalty of 2.7 million rubles — that is, $26,000 [as heard] — publication of these newspapers will be halted. The Tax Committee claims that over the last two years, these newspapers were sold for cash by private individual vendors and so the state was unable to deduct taxes.

The chief editors of the aforementioned newspapers wrote a letter (?of complaint) to President Emomali Rakhmanov and asked him to support them. However, Rakhmanov has not yet given them a reply. Analysts say that they doubt whether chief editors Qobilov and Yusufov will receive any support from the president because they have published many articles about the paralysis of the government's economy, which have made the heads of the regime turn pale.

The two newspapers are currently being published as one paper, the VECHERNIY KURYER.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Armenia

Deputy Foreign Minister, DPRK Counterpart Sign Protocol

NC2609205995 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 26 Sep 95

[FBIS Translated Text] Armenian Deputy Foreign Minister Eduard Zuloyan today received (?Kim-ung Su), deputy foreign minister of the Democratic People's Republic of Korea. The DPRK deputy foreign minister noted that this is his second visit to Armenia since September 1992 and wished success to the people of Armenia in surmounting their temporary difficulties and consolidating independent statehood. Matters relating to cooperation and consultations within the framework of bilateral ties and international organizations were discussed during the talks.

A protocol on cooperation and consultation was signed on the same day at the Armenian Foreign Ministry between the Armenian and DPRK Foreign Ministries.

Parliament Ratifies MFN, 12 Other Agreements

NC2609214995 Yerevan SNARK in English 1507 GMT 26 Sep 95

[FBIS Transcribed Text] Yerevan, September 26. (SNARK) — The Armenian National Assembly ratified 13 international agreements, contracts and conventions in today's session. These include the agreement with the US granting Armenia most favored nation [MFN] trade status dated 1992.

When asked why the National Assembly had delayed ratification of these documents, Baoken Araktsian, Chairman of the National Assembly, stated that the Foreign Relations Committee of the former Parliament was idle for the past two years.

It should be reiterated that Davit Vardanyan, one of the leaders of the National-Democratic Union and a member of the Karabakh committee, headed the former Foreign Relations Committee.

Agreements Ratified by Parliament Listed

NC2709164995 Yerevan NOYAN TAPAN in English 0421 GMT 27 Sep 95

[FBIS Transcribed Text] 27/09/95 NOYAN TAPAN — On September 26, the Armenian National Assembly took a decision to ratify a number of international agreements, treaties and conventions.

The following agreement were ratified:

"On support and mutual protection of capital investments between Armenia and USA" (02.09.92., Washington)
"On investments between Armenia and USA" (02.04.92., Washington)
"On trade relations between Armenia and USA" (02.04.92., Washington)
"On exclusion of possibility of double taxation of profits and property between Armenia and Bulgaria" (10.04.95., Sofia)
"On establishment of inter-state economic committee of CIS" (21.10.94., Moscow)

The following treaties were ratified:

"On extradition between Armenia and Republic of Bulgaria" (10.04.95., Sofia)
"On legal assistance on criminal cases between Armenia and Republic of Bulgaria" (10.04.95., Sofia)
"On legal assistance on civil cases between Armenia and Republic of Bulgaria" (10.04.95., Sofia)
"On loan between Armenia and International Fund of Agricultural Development" (17.06.95.)
"On friendship and cooperation between Armenia and Republic of Bulgaria" (10.04.95., Sofia)

The National Assembly of Armenia also ratified:

"Convention on consulates between Armenia and Romania" (20.04.94., Bucharest)
"Statute of International Union of Electric Connection and Convention" (22.04.94., Geneva)
Convention "On Interparliamentary Assembly of CIS countries" (27.05.95., Minsk).

National Assembly Declares Amnesty 26 Sep

LD2709154295 Moscow INTERFAX in English 1406 GMT 27 Sep 95

[FBIS Transcribed Text] YEREVAN, Sept 27 (Interfax) — The Armenian parliament, National Assembly, declared an amnesty late on Tuesday [26 September] following the adoption of the country's new constitution.

The move follows a request from President Levon Ter-Petrosyan.

The amnesty covers prisoners with a jail sentence of up to three years, those who have already served half of their term, those aged over 60 and the handicapped.

Cases are to be closed for those under investigation who face a prison term of up to three years and jail terms are to be halved for those who were involved in "the defense of Armenian borders."

However, the measure does not cover those released under a previous amnesty but who have since committed premeditated murders; those who are wanted by police;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

military service dodgers; and those convicted of crimes in other countries.

The three-month amnesty covering offences committed before September 25 will affect about 1,300 out of the country's 6,700 prisoners.

Azerbaijan

U.S. Ambassador's News Conference Detailed

NC2709182295 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 27 Sep 95

[FBIS Translated Text] U.S. Ambassador to Azerbaijan Richard Kauzlarich held a news conference today.

[Begin off-screen correspondent recording] Before answering correspondents' questions the ambassador referred to recently expanding ties between Azerbaijan and the United States and focused on leading U.S. oil firms' activities in our country. Kauzlarich said that security in the region and the restoration of peace depend largely on the activities of the member countries of the oil consortium. Thus the problem concerns through which country the oil pipeline will pass. But the last word rests with the member countries of the consortium.

Answering correspondents' questions, the ambassador stated that the United States recognizes Azerbaijan's territorial integrity and favors the peaceful resolution of the conflict. Hence, great responsibility falls upon the United States' new OSCE representative, Joseph Presel. As for the activities of the OSCE Minsk Group, if the talks find constructive paths this will certainly help peace in the region.

The ambassador also expressed his views on the parliamentary election to be held in Azerbaijan on 12 November. He noted that U.S. observer groups will be present at the elections. He said he hoped the elections would be democratic. [end recording]

Defense Minister Discusses Issues With Minsk Group

NC2709165195 Baku TURAN in English 1224 GMT 27 Sep 95

[FBIS Transcribed Text] Baku/27.09.95/TURAN—Yesterday the OSCE Minsk Group mission met with the Defense Minister, Sefer Abiyev, in the Defense Ministry. "The issues of military-political character, including the problem with withdrawal of armed troops from the confrontation line have been discussed during the meeting", Russian co-Chairman of the Minsk Conference, Valentin Lozinskiy, told TURAN's correspondent.

Lozinskiy mentioned the issue concerning escalation of the OSCE peace-keeping troops in the region has not been discussed yet.

He also said the delegation plans to leave for Yerevan today. The place and time of the meeting with the representatives of the Armenian community of Nagorno-Karabakh are yet to be specified, Lozinskiy noted. Whether the OSCE mission will return to Baku depends on the results of the talks in the region.

On the whole, the visit of the MG [Minsk Group] representatives to the region will last until late week, Lozinskiy said. He believes the basic purpose of the mission is to help to advancement of the negotiation process and conclusion of the political agreement. "Overall settlement of the conflict must be achieved at the Minsk Conference and the activities of the OSCE MG is devoted to its summoning", Lozinsikiy added.

Aliyev Sees Armenian 'Autonomy' as Key Issue

NC2709165095 Baku TURAN in English 1224 GMT 27 Sep 95

[FBIS Transcribed Text] Baku/27.09.95/TURAN—Last evening President Aliyev received the OSCE delegation headed by the co-Chairmen of the Minsk Conference, Valentin Lozinskiy and Heikki Talvitie.

"The Minsk process is the only way for peace settlement of the conflict, though I understand that I did not bring desirable results", Talvitie said. December 1995 there will be the summit of the Foreign Ministers of the OSCE and they will present reports about their activities. In light of this meeting the Minsk Group is working over preparation of the agreement on the Armenian-Azerbaijan settlement, Talvitie mentioned. He also said the group is currently working over the key and technical issues in the Armenian-Azerbaijani conflict. "Following this way, we intend to achieve result", the Finnish diplomat said.

Valentin Lozinskiy said the group tries to accelerate the process to finally settle the conflict. "The next round of the talks is to take places in Finland, where we intend to complete the work over the political agreement", Lozinskiy said.

President Aliyev said Baku is ready to cooperate with the Minsk Group and to make constructive steps. "However, we cannot stand occupation of our territories for years", President Aliyev said.

Regarding to the key issues of the conflict, Azeri President said they are: possibility of Armenian population to receive autonomy in Azerbaijan, restoration of territorial integrity, inviolability of borders and refugees home coming.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Then the meeting continued behind the closed doors.

Aliyev: 'Main Problem' To Stop Armenian Aggression

LD2709150795 Moscow INTERFAX in English 1322 GMT 27 Sep 95

[FBIS Transcribed Text] BAKU, Sept 27 (Interfax) — The main problem for Azerbaijan is to stop Armenian aggression, free the occupied territories and achieve a lasting peace in the Karabakh conflict zone, Azeri President Geydar Aliyev told the U.S. ambassador to Azerbaijan in Baku Tuesday.

The President noted the important role of the US in solving these problems.

In his turn, the ambassador said he would like to discuss the construction of an oil pipeline and the upcoming parliament elections before Aliyev's departure to New York to attend the 50th session of the UN General Assembly.

After these words from the ambassador, the meeting continued behind closed doors.

General Novruzov Discusses Border Troops

NC2709164895 Baku TURAN in English 1224 GMT 27 Sep 95

[FBIS Transcribed Text] Baku/27.09.95/TURAN— "Russia still insists on joint protection of Azerbaijani-Iranian and Azerbaijani-Turkish borders. However, we have no difficulties to invite the troops of other state to protect our borders", the Commander of Azerbaijani border troops, Abbasali Novruzov, said during his press-conference September 26. He said participation of Russian troops in protection of border does not mean order. Recently the track with drugs has been transported through the Turkish-Georgian border, which is protected by the Russian border troops, and 3,000 persons illegally crossed the Russian-Chinese border in 1995.

The General noted there are some shortcomings in Azerbaijani border troops and over the past year 160 employees have been dismissed.

Novruzov said the agreement on revision of the border agreements concluded previously by USSR and Turkey and Iran has been achieved. He says the experts currently evaluate the draft of border agreement between Azerbaijan and Georgia. "We have already reached agreement with Turkmenistan concerning protection of borders of two countries on the Caspian", the General noted. He said presently the Azerbaijani-Turkmenistani border on the Caspian lays through the centre of the sea and it is protected by Azeri border troops.

The Commander said Russia suggests creation of united Command of border troops of coastal states for protection of the borders on the Caspian. However, Baku rejected this proposal, he noted. He said currently Moscow and Tehran reject existence of any borders on the Caspian. "We consider is the border existed 70 years, it must exist now too", Novruzov added.

PFA, Vahdat Agree To Cooperate in Election Campaign

NC2709163695 Baku TURAN in English 1225 GMT 27 Sep 95

[FBIS Transcribed Text] Baku/27.09.95/TURAN — Today the parties PFA [People's Front of Azerbaijan] and "Vahdat" (Unity) have signed a joint communique on co-operation during the pre-election period.

In conformity with that document, the supporters of "Vahdat" party will support the candidates of the party PFA according to proportional system and according to majority vote the parties will forward common candidates.

Similar agreement had already been signed between the parties: PFA, Musavat [Equality], "Yurddahs" [Compatriot], National-Democratic party, "Chagdash [Contemporary] Turan" and "Khalg Azadligi" [People's Freedom]. Two more youth organisations and the Committee for Women's Rights named after Dilara Aliyeva announced about their solidarity with the party PFA.

*** After a refusal to be registered in the Ministry of Justice the "Vahdat" party (Chairman is Haji Jebrail Alizade) and the Independent Democratic Party (Chairman is Leyla Yunusova) announced about joining of these two parties under the conditional name "Vahdat-NDPA" [National Democratic Party of Azerbaijan].

Georgia

UN Opposes Withdrawal of Peacekeepers From Abkhazia

LD2809104295 Sukhumi Republic of Abkhazia Radio in Georgian 0600 GMT 27 Sep 95

[FBIS Translated Text] Iqbal Reza [UN assistant secretary-general and] deputy head of the UN Office for Peacekeeping Operations, visited Abkhazia. On 22 September he was received by Vladislav Ardzinba, president of the Republic of Abkhazia. Iqbal Reza said at the meeting that the aim of his visit was to inspect the UN military observers on Abkhaz territory. He praised the peacemaking role of the UN representatives and the CIS peacekeeping forces in Abkhazia.

Discussing the political settlement of the conflict, Reza said that Georgia cannot remain a unitary state, which

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is what its leaders want. Therefore, relations between Georgia and Abkhazia should be built on the principles of consensus acceptable to both sides. Iqbal Reza also said that until a political solution to the problem is found, the United Nations and its Security Council will oppose the withdrawal of military observers and peacekeeping forces from the conflict zone.

President Vladislav Ardzinba familiarized the guest with the political situation in the republic.

Abkhaz Forces Strengthened in Some Districts

LD2709194395 Moscow ITAR-TASS World Service in Russian 0814 GMT 27 Sep 95

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Translated Text] Tbilisi, 27 Sep — The Abkhaz leadership is continuing to step up the presence of its armed formations in Ochamchirskiy district, as well as in the northern part of Galskiy district of Abkhazia, Givi Lominadze, a plenipotentiary representative of the head of the Georgian state in the west Georgian region of Samegrelo, has told journalists. He stressed that according to his information additional forces of the Abkhaz militia and Abkhaz militants from Sukhumi, Gagra, and other Abkhaz towns have been moved up to Galskiy district in Abkhazia.

Local observers are pointing out that the strengthening of Abkhaz armed formations in Ochamchirskiy and Galskiy districts is taking place against the background of a propoganda campaign. It has been constantly claimed that with the aim of restoring the territorial integrity of Georgia, Russia and Georgia are preparing a large-scale military operation in Abkhazia.

Abkhazian Official Says Media Exacerbates Situation

LD2709130295 Moscow ITAR-TASS in English 1220 GMT 27 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, September 27 (Itar-Tass) — The Georgian mass media fan up the situation by circulating false information on concentration of Abkhazian forces in the Gali district of the republic, Abkhazian Vice-President Valeriy Arshba said in a telephone interview with Itar-Tass on Wednesday.

There are no armed detachments or groups in the Gali district, apart from posts of local district police. They keep under control key sections of the district to thwart actions by terrorist groups sent from Georgia.

According to Arshba, the headquarters of the Russian peace-keeping force stationed in the city of Gali does not confirm concentration of "armed forces" in the above district.

"We have close contacts with Russian peace keepers and established an exchange of routine information. However, the command of the peace-keeping force in the zone of the Georgian-Abkhazian conflict, as well as U.N. military mission observers with whom I talked today, refute reports by the Georgian press," Arshba stressed.

Shevardnadze Greets Visiting Iranian Delegation

LD2709165495 Tbilisi IPRINDA in Russian 1400 GMT 27 Sep 95

[FBIS Translated Text] Tbilisi, 27 Sep — It has been announced at the head of state's press office that on 27 September Eduard Shevardnadze received an official delegation from the Islamic Republic of Iran headed by Morteza Mohammad-Khan, the minister of economic affairs and finance. The sides discussed the results achieved during talks and noted that Georgian-Iranian relations were developing in accordance with the agreements reached during the visit by President Rafsanjani to Georgia. The guests noted that the talks had been held in a constructive atmosphere, and the Iranian side was ready to set up joint enterprises.

In conclusion, Shevardnadze conveyed gratitude to the Iranian guests and expressed the hope that there would be further friendly reciprocal links between the two countries.

Shevardnadze, Iranian Finance Minister Talk

LD2709184195 Tehran IRNA in English 1822 GMT 27 Sep 95

[FBIS Transcribed Text] Tehran, Sept. 27, IRNA — Georgian President Eduard Shevardnadze told Iran's Minister of Finance and Economic Affairs Morteza Mohammad-Khan in Tbilisi Wednesday that his government was interested in broadening relations with Tehran in all areas including economy, industries and trade.

The Iranian minister offered a report to Shevardnadze on the second assembly of the joint commission between the two countries assuring the Georgian president that Iran would follow up its efforts to ensure that previous agreements between Tehran and Tbilisi would lead to fruitful results.

Both Mohammad-Khan and Shevardnadze voiced pleasure with the operation of the four committees of the second assembly of the joint commission between and agreed to go ahead with professional consultations as an introduction to executing previous agreements.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Shevardnadze has the honour of an audience with the father of the Islamic revolution in February 1989, when as foreign minister of the erstwhile Soviet Union, he carried a reply of the late Imam Khomeyni's historic letter to Soviet President Mikhail Gorbachev, predicting the doom of communism.

Economic Cooperation Memorandum Signed

LD2709164995 Tbilisi IPRINDA in Russian 1400 GMT 27 Sep 95

[FBIS Translated Text] Tbilisi, 27 Sep — An IPRINDA correspondent reports that a memorandum was signed today between Georgia and the Islamic Republic of Iran on economic cooperation, in particular in the areas of economy, trade, industry, agriculture, transport, and communications. Iran has confirmed its readiness to provide Georgia with natural gas to the value of almost $12 million, and Georgia can pay for 25 percent of the cost of the gas by means of barter. The Iranian side has offered its services in reconstruction of the Rustavi Metal Works, and also in cooperation in aircraft building.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Estonia

Foreign Ministry Official on Border Talks Delay

LD2709125095 Tallinn Radio Tallinn Network in Estonian 1000 GMT 27 Sep 95

[FBIS Translated Text] Estonian-Russian border talks were to have continued in September, but the date for next round has not been set as yet. Anne Osvet reports.

Although in theory the Estonian-Russian border talks should be continuing, there is no official agreement about an imminent meeting of the expert groups. According to earlier information the meeting should have taken place in the town of Pskov in September. Raul Malk, a deputy chancellor of the Estonian Ministry of Foreign Affairs, comments on the issue.

[Begin recording] [Malk] Now it is clear that it will not fit into September. Mr. [Aleksandr] Udaltsov, [deputy head of the second European department] of the Russian Ministry of Foreign Affairs, has mentioned the beginning of October to BNS. When exactly it will take place, I cannot say right now. With regard to the content of the talks, the negotiations so far have been confidential, and therefore I would not comment on technical issues and the wording.

[Osvet] How big are the concessions which the Estonian side could make at these talks when they finally start again.

[Malk] Talks are, of course a search for compromises and solutions. The Estonian side has stated its basis for compromise in its well-known form: recognition of the [1920 Tartu] Peace Treaty in exchange for territorial flexibility.

Exactly what solution Estonia will agree with depends first of all on the balance of political power in Estonia — the agreement to be concluded will need 68 votes in favor to succeed in the Riigikogu. And also, depending on the understanding between Estonia's political forces about their goals, and on which forces are prepared to support a specific possible outcome, this defines the extent of all the compromises in specific matters. [end recording]

Business Leaders Denounce Russia's Import Tariffs

WS2709143695 Tallinn BNS in English 1010 GMT 27 Sep 95

[FBIS Transcribed Text] Moscow, Sept 27, BNS — Double-size customs tariffs imposed by Russia on imports from Estonia are a serious obstacle to trade between the countries, business leaders and officials contended at a meeting in Moscow on Tuesday [26 September].

The business contact day in the Russian capital, sponsored by the chambers of commerce and industry of the two countries, brought together MPs, officials and business leaders.

Taking part from the Russian side were members of both houses of the parliament and senior customs officials.

"The objective of our delegation was to find possibilities of expanding business contacts at the official level. We hope to find new business partners in Russia and work on our existing contacts," said Toomas Luman, chairman of the Estonian Chamber of Commerce and Industry.

He said cooperation with Russia was of major importance for Estonia.

His Russian counterpart, Sergei Smirnov, said also Russian businesses were keen to expand trade with the Baltic neighbor. He said Russia was interested in buying food, chemical goods and machinery from Estonia.

Russia's denial of most-favored trade status for Estonia means that Estonian exports to Russia are subject to a double-size customs tariff.

The result is that Estonian goods, because of their high price, are unable to compete with German, Dutch or Polish products on the Russian market, Luman said.

Both sides at the meeting agreed that Russia's tariffs on Estonian imports were excessive.

Lithuania

Foreign Minister Voices Support for UNSC Expansion at UN

LD2709204395 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 27 Sep 95

[FBIS Translated Text] Lithuanian Foreign Minister Povilas Gylys, who started his official visit to the United States on Tuesday [26 September], continues his meetings in Washington with influential members of Congress, the Senate, and officials from the State Department and the Office of the President.

Gylys took part in the sitting of foreign ministers organized by the Security Council [UNSC], which was devoted to the 50-year anniversary of the United Nations. In his report at the General Assembly plenary session he stressed that Lithuania aspired to become a full member of the European Union. NATO membership and joining the West European Union were described by Gylys as the country's other priorities.

The minister said that Lithuania would like to take a more active part in the UN peacekeeping missions and spoke for the expansion of the Security Council.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Tomorrow Gylys will return to Lithuania.

Official Discusses NATO, Defense Issues

*WS2809092795 Tallinn BNS in English
1705 GMT 27 Sep 95*

[FBIS Transcribed Text] Vilnius, Sep 27, BNS — Lithuania cannot organize military exercises for NATO and the Partnership for Peace, because according to NATO regulations the country must send invitations to all members of the Alliance and Partnership, including Russia which is also a NATO partner.

For this reason, Lithuanian officials have chosen another alternative — they will organize exercises embodying the so-called "spirit of the Partnership." Lithuania may invite any countries of its choice to participate in such war games.

Saulius Gasiunas, a specialist of the NATO department of the Lithuanian ministry of defense, told BNS that Lithuania had sent proposals to Brussels several days ago, suggesting that two such exercises be organized in Lithuania next year. It is hoped that these exercises will be included in the official Partnership for Peace program.

Lithuania also proposed that the creation of a joint Lithuanian- Polish peacekeeping battalion and consultations with specialists to reorganize the Lithuanian army in keeping with NATO standards be included in the official Partnership program.

Lithuania also intends to propose teaching Russian to NATO and Partnership countries' officers at the base of the Lithuanian military academy. However regarding this proposal, according to Gasiunas, there are differences of opinion between the ministry of defense and foreign ministry, so that the proposal will be made to Brussels at a later date.

Out of a total of 300 events proposed to NATO partners, Lithuania has selected 90. "That's more than last year, which demonstrates that we are active participants," Gasiunas said.

If NATO approves Lithuania's selections and proposals, they will be included in Lithuania's individual program for next year.

Russian Resistance to NATO Seen as 'Political Smoke-Screen'

*WS2709120295 Tallinn BNS in English
1900 GMT 26 Sep 95*

[FBIS Transcribed Text] Vilnius, Sept 26, BNS — Lithuania, even after underlining its firm intention to become a full-fledged member of NATO and signing an associate membership agreement with the EU, maintains good-neighborly relations with CIS countries, members of the Tashkent military pact, said Petras Zapolskas, director of the political department of the ministry of foreign affairs.

There are strong indications that Lithuania's integration into transatlantic and European structures will increase security in the region. The resistance of certain leaders of neighboring governments to NATO expansion is "only a political smoke-screen and not a reflection of a true assessment of international and regional security," Zapolskas said.

The diplomat was commenting to BNS on Russian defense minister Pavel Grachev's statement to journalists that the acceptance of the Baltic countries into NATO would "exceed the limits of Russia's tolerance."

Ministry Estimates Environmental Damages From Soviet Troops

*LD2709122295 Moscow INTERFAX in English
1029 GMT 27 Sep 95*

[FBIS Transcribed Text] VILNIUS, Sept 27 (Interfax) — The damage inflicted on Lithuanian environment by troops of the former Soviet Union and Russia in 1940-1993 is estimated at approximately $1,740 million, representatives of the Lithuanian Environmental Ministry told a meeting of the Government Commission on damage caused by troops of the former Soviet Union and Russia during their stay on Lithuanian territory Tuesday.

According to the ministry, some $730 million will be necessary to clean the polluted areas, $370 million will be needed to restore the ecological balance on those territories and $640 million will be necessary to compensate the economic losses resulting from the non-use of forests, arable lands etc.

Head of the Government Commission and ex-Lithuanian Minister of Economy Aleksandras Vasiliauskas told correspondents after the meeting, these are real figures calculated with the world's methods of ecological damage estimation.

Under a program approved by the Government Commission, the damage done by the Soviet troops to Lithuanian residents, including "forced recruitment, persecution of members of the resistance movement and so on", will be analyzed as well.

Vasiliauskas did not announce the date of Lithuanian-Russian negotiations on compensation of the damage.

Soviet and Russian troops used 68,000 hectares of Lithuanian territory (1.34% of its overall area).

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Government Commission was formed to develop methods for calculating the damage done by the troops to Lithuania.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.